



Daily Report

China

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14 May 1991

NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Editorial Views U.S.-Sino-Soviet Relations

HK1305123991 Hong Kong HSIN WAN PAO
in Chinese 13 May 91 p 1

["New Talks" column: "Dialogue between American and Soviet Presidents and Jiang Zemin's Visit to the Soviet Union"]

[Text] U.S. President Bush had a 45-minute telephone conversation with Soviet President Gorbachev, in which both declared that they wanted to continue to develop bilateral relations and were ready to hold the U.S.-Soviet summit meeting, which is several months overdue, this summer. But despite the statements, no date has yet been fixed for the summit meeting.

On the surface, the Gulf war seems to have been the cause for the postponement of the summit meeting, but the crucial factor lies elsewhere. The bigger issue is how U.S. authorities and the domestic political community are going to evaluate the Soviet domestic situation and whether they should adopt a consistent policy toward the Soviet Union in the future.

Former Soviet Foreign Minister Shervardnadze's resignation was the key fact that prompted the United States to postpone the summit meeting, believing the situation within the Kremlin had changed, so Bush's scheduled Soviet visit this spring was shelved under the excuse of the Gulf war. However, when the Gulf war ended, the Soviet Union repeatedly urged the United States to call the meeting, which nonetheless continued with the same "procrastinating" tactic. There has been no progress.

Last week Shervardnadze arrived in the United States for the official purpose of attending an international research conference. Bush, having just checked out of the hospital, met him immediately. Shevardnadze had contended in his resignation address that Gorbachev had come under the influence of the Army and had become dictatorial. But this time he told Bush that the Soviet political situation had stabilized. This was obviously a whitewash for the Kremlin. On the other hand, over the last week Gorbachev has thrice criticized the rightists in the United States for pulling U.S.-Soviet relations backwards and warned the United States of the reemergence of the Cold War. All this indicated a new situation between the two superpowers.

If they announce holding the summit meeting without, however, fixing a date, there are, of course, some other factors involved. What was announced to the public was that arms reduction needed a new round of consultation because the conditions offered by both sides had changed. But the truth was that this may have been construed as an element of constraint on the forthcoming Sino-Soviet talks. Moreover, there are all sorts of speculation on whether Bush can make the trip after his

illness. All this means that designating a date for U.S.-Soviet talks, or indeed whether such a date can be arrived at, will have to wait for the next stage.

Jiang Zemin, general secretary of the CPC Central Committee, will be visiting the Soviet Union on 15 May. He will be the highest-ranking government and politically responsible person to visit the Soviet Union since Mao Zedong did so in November 1957, and his will be in return for Gorbachev's visit to China around May 1989. After 35 years both sides now are headed by leaders of the younger generation.

The XINHUA NEWS AGENCY yesterday ran Jiang Zemin's interview by correspondents from the Soviet television network, TASS, and PRAVDA. Such prearrangements have been unprecedented over the last few decades.

The interview touched on the significance of the Sino-Soviet summit meeting, the impact of the development of their relations on Asia-Pacific regional cooperation, peace and security, China's reform and opening up, and so on. The interview was also very different in atmosphere from that given to American female reporter Barbara Walters.

A few aspects in Jiang Zemin's talk earned particular attention from the foreign media. One is that he remained unchanged in placing Sino-Soviet relations in the context of neighborly and friendly relations based on the five principles of peaceful coexistence—a great difference after a span of 35 years. Second, apart from maintaining contacts and ties between leaders of the two countries and counting the many discussions between the two countries' foreign ministers on international issues, there have been increasingly more economic and trade and scientific and educational exchanges, and exchanges in the military fields have started. Third, China believes that the Soviet people have run into some temporary difficulties, but is fully confident that they will overcome them.

New problems exist in current U.S.-Soviet relations. Divergences between China and the United States over these two years have received full attention. Moreover there has been more tension between the two countries this month as a result of disputes over most-favored-nation treatment. The telephone conversation between the American and Soviet presidents, Jiang Zemin's talks with Soviet correspondents yesterday, and U.S. Undersecretary of State for Political Affairs Kimmitt's visit to Beijing early this month promise another new show of "Romance of the Three Kingdoms."

Reports Continue on Mideast Peace Efforts

Baker On Obstacles

OW1305185791 Beijing XINHUA in English
1703 GMT 13 May 91

[By Zhou Zexin and Xing Xudong]

[Text] Cairo, May 13 (XINHUA)—U.S. Secretary of State James Baker said today the U.N. role in a proposed Middle East peace conference and procedures for holding such a conference are the two primary issues that stand in the way of a possible parley.

Baker said the United States, the Soviet Union and Egypt "will continue to work toward the bringing about of a peace conference that can deal on two tracks (the Palestinian issue and the Arab- Israeli conflict) with the issues of Middle East peace."

He was speaking to reporters after meeting with Egyptian President Hosni Mubarak and Soviet Foreign Minister Aleksandr Bessmertnykh this afternoon.

Baker, who arrived Sunday evening, met with Bessmertnykh Sunday and today before he met with President Mubarak and was later invited by Mubarak for a tripartite meeting.

The U.S. secretary said, "the major differences right now appear to be the question of what role the United Nations might have in a peace conference and secondly, whether or not the conference will be simply a one-time meeting" or whether it "would have the ability to reconvene with the consent of all the parties."

He said that Syria and Israel adopt different positions with respect to these issues.

"You have one party saying there should be absolutely no involvement whatever of the United Nations and the conference should be a one-time affair with no ability to reconvene. You have another party saying there should be full U.N. participation and a conference of a continuing nature," he said.

Baker did not mention substantial differences between Arab countries and Israel over the principle of Israeli withdrawal from the occupied Arab lands in exchange for peace and continued Jewish settlement in the occupied lands.

Baker said he does not mean to suggest that all other issues have been resolved but these are the "two primary issues at least that I see it that now stand in the way of a possible conference on Middle East peace."

"There ought to be some way that we can resolve all those questions," he said.

"There are more issues with respect to which there is agreement than there are issues with respect to which there is disagreement," he said.

On Palestinian participation in the proposed conference, Baker said discussions are continuing with respect to whether a Palestinian delegation should be a free-standing delegation or it should be part of an all Arab delegation or whether it should be a joint Palestinian-Jordanian delegation.

"That decision ultimately of course will be made by the parties involved," he said.

Bessmertnykh left for Saudi Arabia immediately after the meeting and did not attend the press conference. He was [words indistinct] questions on any formula for compromise when leaving the presidential palace. He said only, "the chance is getting somewhat better, I guess, because they are working."

Bessmertnykh had visited Syria, Jordan and Israel before coming to Cairo. He is heading for Saudi Arabia for the first visit by a senior Soviet official in half a century.

Baker started his fourth shuttle mission in two months to the Middle East with a visit to Syria Saturday. He is scheduled to continue on to Jordan Tuesday before going to Israel.

Baker, Bessmertnykh Talk

*OW1305130891 Beijing XINHUA in English
1203 GMT 13 May 91*

[By Li Sizhi and Xing Xudong]

[Text] Cairo, May 13 (XINHUA)—U.S. Secretary of State James Baker said here today that Syria should not be excluded in a Middle East peace conference because "Syria is a very, very important country."

Speaking to reporters in the Soviet Embassy after two hours of talks with Soviet Foreign Minister Aleksander Bessmertnykh, Baker said the U.S. and the Soviet Union "will continue to work to narrow the differences between Syria and Israel" in moving toward a peace conference with the participation of all countries concerned in the Middle East.

The differences focused on the role of the United Nations and a one-time conference or a multi-time one, Baker said.

Syria wants a full-fledged role of the United Nations in the proposed regional peace conference while Israel intends to keep the U.N. out for fear it would side with the Arabs.

Syria also demands that the proposed conference be reconvened if direct Arab-Israeli talks falter. Israel refuses more than a ceremonial initial session.

Baker refused to say what would happen if they fail to narrow the gap between the two.

Speaking on the same occasion in English, the spectacled Bessmertnykh said he had "good discussions" with Baker today and last night.

The problems now coming across are fewer than before, and this gave "ground for hope" in regard to the convocation of the conference, the Soviet foreign minister said.

This may refer to the role played by the European Community. At first Israel rejected an EC role in the conference, but it has now reversed its opposition to it.

Baker said he and Bessmertnykh looked into the possibility for holding the conference and what they want is that the parties concerned first sit down at the table "with good intentions."

The U.S. secretary of state said they also discussed arms control and the two sides agreed to hold a summit in Washington this summer. Their talks also dealt with the Angolan issue and the Iraqi issue, including the problem of Kurdish refugees in northern Iraq and removal of chemical weapons in the country.

The two sides agreed to look for fresh approaches to save the U.S. peace initiative to resolve the 43-year-old Arab-Israeli conflict and the Palestinian problem, Baker said.

The two foreign ministers are on a peace mission in the Middle East to push forward the Mideast peace process. They will have a working luncheon at noon with Egyptian President Husni Mubarak on the same issue.

Bessmertnykh will leave for Saudi Arabia today and Baker will go to Jordan and Israel and may shuttle back to Syria again to continue mediation between Israel and Syria.

Bessmertnykh Visit Reviewed

HK1305143391 Beijing RENMIN RIBAO in Chinese
p 6, 11 May 91

["Roundup" by Staff Reporter Wu Wenbin (0702 2429 2430): "Soviet Foreign Minister Visits Middle East"]

[Text] Damascus, 9 May (RENMIN RIBAO)—Soviet Foreign Minister Bessmertnykh ended his two-day visit to Syria on 9 May—the first stop of his Middle East Tour—and left here for Jordan. During the visit, he held talks with Syrian President al-Asad and Foreign Minister al-Shar' on the latest development of the situation in the Middle East, Arab-Israeli conflicts, the issue of promoting peace process in the Middle East, and so on. Bessmertnykh transmitted to President al-Asad tentative Soviet ideas on peace in the Middle East. Syria and the Soviet Union have maintained that it is necessary to plan a proper scope and make sufficient preparations for an international conference on the Middle East.

At present, the standpoints of the Arab states and Israel have become increasingly clear with each passing day. During Baker's third visit to the Middle East, Syria and Egypt jointly proposed a Middle East peace plan which includes: Implementing Security Council Resolutions 242 and 338, which means Israeli withdrawal from the Arab territory occupied since 1967; exchanging land for peace; restoring the legitimate rights of the Palestinian people, including their right to chose their delegates for peace talks at all levels; and Israel withdrawing from the southern part of Lebanon and implementing Security Council Resolution 425. Syria has repeatedly stressed

that it is necessary to give play to the important role of the United Nations to ensure an international guarantee for the resolution of the peace conference.

Although Israel has agreed to the proposal that the Soviet Union and the United States jointly chair the peace conference on the Middle East, it has insisted that restoration of diplomatic relations with the Soviet Union is a pre-condition. In the meantime, it has stubbornly rejected the proposal concerning the role of the United Nations, and refused to implement Security Council Resolutions 242 and 338. It has opposed the proposal on exchanging land for peace, refused to recognize the legitimate national rights of the Palestinian people, and continued to expand Jewish settlements in the occupied territory.

Despite mediation, there are still differences between the Arabs and Israelis about the form, nature and aim of the peace conference, and the deadlock has not yet been broken. Baker himself also believes: "Arab-Israeli conflicts over the past 40 years are complicated and extraordinary. The Middle East peace process cannot be promoted by the United States alone." For this reason, during his third trip to the Middle East, he suddenly flew to the Soviet Union to hold talks with the Soviet foreign minister. Both sides have agreed to make concerted efforts to promote the Middle-East peace process. Bessmertnykh has come to the Middle East for his visit under such conditions. His trip includes Syria, Jordan, Lebanon, Israel, and Egypt. He will meet with Palestinian president 'Arafat and U.S. Secretary of State Baker in Amman and Cairo respectively.

The visit of the Soviet foreign minister has captured the interest and great attention of the international community and relevant quarters. According to press analysis here, the United States has tried to exert pressure on Syria and other countries with the help of the Soviet Union. The reason Syria has insisted on the participation of the Soviet Union in the peace conference is because the Soviet stand is close to the stand of the Arab nations. Israel agrees to the proposal for the Soviet Union and the United States jointly to chair the meeting because it intends to restore diplomatic relations with the Soviet Union, which will be beneficial for absorbing Jewish migrants from the Soviet Union. The Soviet Union has also attempted to take this opportunity to play a role in the Middle East peace process.

Upon his arrival in Damascus, Bessmertnykh announced that he had not brought any new proposals, and that he came to understand and bridge the viewpoints of various sides. In his joint press conference with the Syrian Foreign Minister al-Shar' on 9 May, Bessmertnykh pointed out: The Palestinian problem is the essence of the Middle East issue. We should let the Palestinian people themselves solve the problem of their delegation in the proposed peace conference. On the same day, after his two-hour talk with Jordanian King Husayn, he told reporters that the Soviet Union might stop the immigration of the Soviet Jews to Israel to curb the new Israeli settlements in occupied Arab territory.

Before this, when the Soviet foreign minister arrived in Amman, he told a Jordanian radio station that the Soviet Union had rejected Israel's proposal for the restoration of Soviet-Israeli diplomatic relations as a precondition for Soviet participation in the Middle East peace process.

Bessmertnykh's visit to Israel is the first visit by a Soviet foreign minister since the severing of diplomatic relations of the two countries in 1967. Besides the Middle East peace process, the two sides might study the issue of the restoration of diplomatic relations. However, it has been reported that the Soviet Foreign Minister had told Syrian President al-Asad that before marked and positive results had been obtained in the Middle East peace process, the Soviet Union would not restore diplomatic relations with Israel.

Sources here believe that in his present Middle East visit, Bessmertnykh will not be able to achieve more positive results than Baker, because the stumbling block to peace in the Middle East has mainly come from Israel. Pressure from the United States is indispensable in order to force Israel to change its stand.

Baker Mediation Analyzed

HK1305145791 Beijing RENMIN RIBAO in Chinese
13 May 91 p 6

["News Analysis" by Staff Reporter Zhang Qixin (1728 0796 2500): "Baker's Diplomatic Mediation and Israel's Resistance"]

[Text] Washington 10 May (RENMIN RIBAO)—U.S. Secretary of State Baker has begun his fourth visit to the Middle East in the past two months. It was said that the U.S. side holds that its diplomatic mediation may "achieve success" with another round of efforts and that the Arabs and Israel will participate in the U.S.-proposed "regional peace conference." At the same time, Baker will meet with USSR Minister of Foreign Affairs Bessmertnykh to further coordinate the two sides' positions on the regional peace conference.

Baker's recent efforts at diplomatic mediation aim to convoke a Middle East regional peace conference to promote Israeli-Palestinian talks to find a solution to Israeli-Palestinian conflicts step by step. This being the case, the focus of his attention in talks with all sides concerned has been on how to conduct the regional conference in the hope that all sides will compromise on various specific issues concerning the conference. Viewing the results of his three previous visits, however, Baker failed to "patch up the differences," whereas Israel's rigid stand in the talks has made things very difficult for him.

Since the end of the Gulf War, the United States has set forth the concept of realizing Middle East peace on the basis of UN Security Council Resolutions 242 and 338 and the principle of "exchanging land for peace." While

expressing their welcome of the U.S. concept, Arab countries have aired different views and made some proposals.

For example, regarding the U.S.-proposed regional peace conference, Arab countries are not against it on principle, but they have aired their views on the nature and way of conducting the conference, hoping that the peace conference will be an international meeting, while genuinely advancing in the direction of resolving the Arab-Israeli conflict and the Palestinian issue. At first, Israel was for a regional peace conference, but then it proposed various conditions for the conference: Demanding Arab countries hold only direct "state-to-state" talks with it; ending the state of war against Israel; recognizing the existence of Israel and lifting economic resistance to it. However, it has refused to take into account the proper demands of Arab countries and the Palestinians.

Taking into consideration the differences between the Arabs and Israelis, Baker made some compromising proposals, based on U.S. strategic interests; these proposals, however, still met Israeli resistance. A source said the regional peace conference would be convoked as scheduled to hear the progress in bilateral talks; however, it would not intervene in the talks. Obviously, this plan had taken into consideration Israel's position; however, Israel went back on its word and eventually rejected the plan.

Take another example. Baker intends to let the EEC members' representatives and the UN secretary general participate in the regional peace conference, playing a "certain role" or acting as "observers;" however, Israel flatly objects to the UN playing any role whatever. Israel has taken a very rigid attitude regarding the choice of Palestinian deputies and the issue of implementing the two UN Security Council resolutions.

The aforesaid conditions show that the reason Baker has made little progress in his diplomatic mediation lies chiefly in Israel's resistance. The U.S. media holds that those seemingly technical problems of the conference have actually touched at the kernel of the Arab-Israeli conflict and the Middle East issue; should Israel fail to change its position on those issues, there is no reason to be optimistic about Baker's upcoming visit.

Article Views U.S. 'Impasse' in Postwar Iraq

HK1405045791 Beijing SHIJIE ZHISHI in Chinese
No 8, 16 Apr 91 pp 2-3

[Article by Yu Xing (01515887): "What Is the United States 'Waiting To See?']

[Text] Analyzing U.S. postwar policy toward Iraq not long ago, General Colin L. Powell, chairman of the Joint Chiefs of Staff, stated: "Only when Saddam Husayn steps down will it conform to the Gulf area's interests; only when Iraq remains a unified country will it conform to the Gulf area's interests; but I do not know how that can be achieved." Analysts pointed out that Powell's words present a clear picture of the

U.S. Administration's difficult position after the Gulf war ended. The United States has won a victory over Iraq on the battlefield, but politically it is at an impasse. Iraq's present political situation is in a mess, and the United States has found it rather difficult to handle. The prediction of some people before the Gulf war that the United States "will be the winner militarily but a loser politically" is gradually making itself felt. Public opinion believes that under the present circumstances, the United States has to adopt a "wait-and-see" strategy regarding Iraq. But what is the United States "waiting to see"? Will the situation surface that the United States hopes to see? Should such a situation really happen, would the United States be willing to take it? These questions have not only perplexed the U.S. Administration's brass, but also involved worldwide public opinion.

Two eye-catching, major events have taken place since the Gulf war ended. One was the outbreak of internal turmoil in Iraq. The Kurds in the north and Shiite Muslims in the south ignited rebellions, going all out to overthrow President Saddam Husayn, who has dispatched troops to suppress the rebellions. The government troops recovered some cities once occupied by the rebels in the north and south. The countergovernment riots have been gradually quelled, and in fact, no longer pose a threat to the Saddam Husayn regime. Even the Kurdish Democratic Party, with its headquarters in Damascus, Syria's capital city, has admitted that the Kurdish army "has implemented a tactical pullout from Kirkuk, Dohuk, and Arbil." The Kurdish rebel leader Masoud Barzani issued a statement acknowledging the Kurdish rebellion's failure, while appealing to the United States, the UK, and France for their intervention. The Shiite Muslims' riots have basically come under the government's control.

The other was that Saddam Husayn has reorganized the government while suppressing the revolts at home, and stated that democratic reform would be carried out. He appointed the former First Deputy Prime Minister Taha Yasin Ramadan as vice president, and the former Deputy Prime Minister Sa'dun Hammadi as prime minister. Thus a new cabinet has surfaced, in which Saddam Husayn is not the prime minister, an office which he had held since coming to power. Hammadi is Saddam Husayn's right hand, and a Shiite Muslim at that; he is regarded as a mild Iraqi politician advocating democratic reform. Hammadi's appointment as prime minister is likely to change the Iraqi Government's image at home and abroad, while pacifying the Shiite Muslims in the south who are causing trouble.

Regarding these changes surfacing in postwar Iraq, the United States has no alternative but to "wait and see." This is because, first, should the United States try to prevent Saddam Husayn from using his troops to suppress the rebellious troops, inevitably it would lead to the U.S. Army resuming the state of war with the Iraqi Army, involving the United States in a war without UN approval or the voluntary participation of other foreign troops. Second, should the rebels win, the Iranian Shiites that back the Iraqi rebels would become a dominating

force in the area; furthermore, the Kurds would demand their independence. Aside from taking into account the Iranian factor, the United States did not see anyone among the rebels who could genuinely control the Iraqi political situation; thus, instability would inevitably surface in that area. Third, should the United States participate in selecting Iraqi leaders, this would draw universal resentment from Arab countries, even those Arab countries in the anti-Iraq alliance would oppose it. Consequently, that would produce great negative effects on the U.S. Administration's efforts for realizing Arab-Israeli peace. Fourth, if the United States backs the Iraqi rebels, the United States would bear responsibility for the future Iraqi Government, but the United States does not want to bear such a responsibility. And fifth, the U.S. Congress, public, and allies have not required the U.S. Administration to intervene in the Iraqi internal turmoil. On the contrary, the U.S. public's wish was for the U.S. troops to pull out of Iraq and not get involved any further. In a nutshell, the United States is at a loss in facing the changes in Iraq today.

A U.S. official stated: "The United States really hopes to see Iraq implement the democratic parliamentary system, but that is quite unlikely to happen. Should another person with substantial power surface in Iraq, I would rather see him be a soldier, but not a radical Muslim." His words describe the United States' most ideal "arrangement" for Iraq. A European diplomat has more explicitly defined the picture in the minds' eye of the United States: "The Americans wish to see another al-Asad in Bagdad, or even better, the surfacing of another Mubarak." To the U.S. decision-makers, a Kurd or a Shiite Muslim is not the best choice. It would be ideal if a powerful figure inside the Iraqi Arab Socialist Renaissance Party or the Iraqi Army would surface to replace Saddam Husayn. But that is precisely quite beyond the United States.

The Americans have cockily won the Gulf war, but did not expect to see themselves in such an embarrassment. There has been doubt in the United States whether or not the United States withdrew its forces too soon, thus resulting in its helplessness in making a political move. The Bush-Schwarzkopf argument over the issue of whether it was too early for a cease-fire is a typical example.

However, the U.S. "wait-and-see" strategy is not just sitting there doing nothing. The United States maintains strong military and political pressure on Iraq with its troops stationed in southern Iraq, while seeking opportunities and measures to make the Iraqi situation develop in a direction favorable to the United States. U.S. fighters downed two Iraqi helicopters on 20 and 22 March separately, which had not threatened the multinational troops. On several occasions, the U.S. military expressed the need to maintain its front headquarters in the Gulf area. Powell stated that U.S. troops stationed in southern Iraq would continue to put pressure on Saddam Husayn "in the next few months."

Internationally, the United States is trying its best to subdue Iraq in the form of UN Security Council resolutions, to attain its goal which it failed to do on the battlefield. Beginning with 1 April, the UN Security Council had negotiated on the U.S.-proposed (draft) resolution on a permanent cease-fire in the Gulf area. During private consultations, the Security Council permanent members have made some revisions on the (draft) resolution proposed by the United States. The cease-fire conditions in the draft include destroying all Iraqi biological and chemical weapons and other large-scale destructive weapons, permanently banning arms sales to Iraq, demanding Iraq respect the Iraq-Kuwait border as negotiated in 1963, and using part of Iraq's revenues from oil exports for war indemnities. In addition, the draft bans Iraq from obtaining or developing nuclear weapons and materials for producing them. On 3 April, the Security Council voted on this draft, which was adopted 12 for, one against, and two abstentions.

In spite of this, the situation the United States hopes for has yet to surface. This shows that in our times, what war can achieve is limited; furthermore, it also shows that even if the United States is the winner in the Gulf war, it is impossible for it to do whatever it likes in another region or country. Viewing the present situation, the United States will eventually have to accept the reality that Saddam Husyan will continue to reign in Iraq.

Bush Hopes for Deal With Philippines on Bases

OW0505063091 Beijing XINHUA in English
0555 GMT 5 May 91

[Text] Washington, May 4 (XINHUA)—President George Bush today expressed hopes for reaching a deal with the Philippines on U.S. bases there, but he said there are "limits" that the United States would not go beyond.

The United States, which has Clark Air Base and Subic Bay Naval Base in the Philippines, has been negotiating with Manila for the renewal of the facilities, the current lease of which will expire September 16.

But the talks broke down recently before on differences on the payment for the bases and the new lease's timeframe.

According U.S. press, Manila wants 825 million dollars a year in compensation for a maximum of seven years, while Washington will offer no more than 360 million dollars for a 10 year period.

Bush, while traveling to the University of Michigan for a commencement speech, told reporters that he did not believe that the United States would be forced to leave these Philippine bases, "but we're having negotiations still going on... still no deal."

"We've made clear that there are limits beyond which we're certainly not prepared to go," Bush said, adding "this isn't any carte blanche operation."

Bush noted that the bases are important to the United States and said the deal "will work out in the end."

Problems of Soviet, East Europe Reforms Viewed

HK1405050891 Hong Kong TA KUNG PAO in Chinese
14 May 91 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Three Experiences of China's Reform"]

[Text]

Two Major Difficulties in the Soviet Union

Before his visit to Moscow, Jiang Zemin, general secretary of the CPC Central Committee, was interviewed by reporters of the Soviet television station, TASS, and PRAVDA in Beijing on 11 May. During the interview, which lasted more than one hour, he talked about the significance of the upcoming Sino-Soviet summit and the influence of the development of Sino-Soviet relations on cooperation, peace, and security in the Asia-Pacific region. Undoubtedly, as the interview concerned Sino-Soviet relations, the experience of China's reform, and their influence on peace and development in the Asia-Pacific region, it attracted worldwide attention.

At present, the Soviet Union has encountered great difficulties in its reform. Especially as price controls have been relaxed and the government subsidy system has been abolished, there has been a sharp increase in market prices since May. Many people are complaining, and workers' strikes and demonstrations are seen everywhere. This is a difficulty that cannot be easily solved. Although reforms have been repeatedly carried out in the Soviet Union over the past five years, economic problems have still not been solved. This has further touched off and deepened the crisis of nationality divisions in various republics. Gorbachev is now suffering a great deal from these two major difficulties.

Over the past year or so, many Soviet officials and people have visited China's coastal areas and special economic zones, including Shenzhen. They saw a prosperous scene in China's cities and countryside, where there was an ample supply of materials. They were deeply impressed by China's reform and opening up, through which many people had become rich before the others. When answering questions raised by the Soviet reporters, Jiang Zemin said there are three main aspects in China's experience of reform and opening up: First, China cannot do without reform and opening up; second, in reform and opening up it is necessary to unswervingly follow the socialist orientation; and third, it is necessary to proceed from the reality and adopt safe and appropriate methods and measures while carrying out reforms resolutely and boldly.

China Emphasizes Importance of Steadiness

China's three experiences can be of value as a reference for the Soviet reform. But they were summed up in light

of China's concrete national situation. Anyway, the methods and measures adopted by China, which were worked out in light of China's real situation, have been proved by practice to be more effective than the radical reform measures of the Soviet Union and the East European countries. The reformists in the Soviet Union and the East European countries thought that once they practiced Western democracy and liberalization, the multiparty system, and the system of free elections, all problems could be solved overnight. Facts prove that things are always developing independent of man's will. Serious dislocations have thus appeared in society as the original structure, which was effective for many years, has been destroyed, but the new structure has not yet been established. On the other hand, the life of the vast numbers of cadres, workers, and intellectuals, who were originally living a stable life and did not lack basic daily necessities, has been seriously affected by the sharp increase in commodity prices and the accelerating inflation after reform. After reunification, the number of unemployed workers reached 2 million in eastern Germany. This is an example for us to see.

Reform Is Unstable, Foreign Investors Step Back

The "standard-bearer" of reforms in the Soviet Union and the East European countries is, of course, Gorbachev, who has now been caught in a dilemma. The current serious difficulties in the Soviet Union and the East European countries have arisen from the unsteady development of reforms. Because the original systems were discarded all at once, the unstable factors in society have increased. For example, the workers can go on strike at any time. This is a serious wound to economic development. Even in developed Western countries, the workers of major industries are still not allowed to be on strike for a long time. When necessary, the factories may be taken over by troops and the strikes may be stopped by emergency laws.

Originally, the "excessive democracy" after the war made some Western countries suffer a lot. Now in the Soviet Union and the East European countries, some people have followed the example of this big defect of the Western countries and encouraged workers and students to make use of democracy to undermine the legal system, and the social and production order. As a result, disturbances have occurred in society. It is certainly difficult to carry out reform and to open up to the outside world under such a situation.

If a country does not have a stable social environment, and instead there are student demonstrations and workers' strikes every day, foreign capitalists can only be scared and shrink back at the sight. The increasing disorder in the Soviet reforms has caused many foreign capitalists, mainly those from the United States, Western Europe, and Japan, to step back. But the Soviet economy has continued to deteriorate rapidly. It has a crying need for foreign aid. In the future, China and the Soviet Union will not only strengthen economic exchange but will also exchange views on the measures of reform and

opening up and on some other principled questions so that they can learn from each other and make up each other's deficiencies. This is beneficial to both sides.

Gorbachev, South Korean Parliamentarian Meet

OW1405022291 Beijing XINHUA in English
0141 GMT 14 May 91

[Text] Moscow, May 13 (XINHUA)—Soviet President Mikhail Gorbachev met a delegation from "the National Assembly" of South Korea Monday, and discussed ways to promote bilateral trade.

The delegation was led by Speaker Pak Chun-kyu, who conveyed a personal message from Gorbachev from President No Tae-u of South Korea.

The message was viewed by President Gorbachev as "another step forward" in the development of Soviet-South Korean dialogue at the summit level.

The Soviet news agency TASS gave no details of the message, but said Mr. Pak Chun-kyu stressed South Korea's "deep interest" in developing wide-ranging cooperation with the Soviet Union.

Both sides also exchanged views on recent developments in the Korean peninsula and in the Asian-Pacific region.

Meanwhile, the South Korean speaker also held talks with President of the Supreme Soviet of the USSR Anatoliy Lukyanov. They said the sharing of common views by both sides would be beneficial to "effective cooperation" in helping solve problems in the Far East and Asian-Pacific region.

Delegate Urges Bigger UN Role in Disarmament

OW1405014991 Beijing XINHUA in English
0014 GMT 14 May 91

[Text] United Nations, May 13 (XINHUA)—A Chinese delegate today hoped the U.N. would play a bigger role in promoting disarmament, maintaining world peace and establishing new international political order.

Speaking at the U.N. Disarmament Commission when its three-week annual session ended here today, Hou Zhitong, Chinese ambassador for disarmament in Geneva, said that the session was convened when major changes have taken place in the international situation, and some preliminary and positive results have been achieved in disarmament fields.

He believed that the tasks before the commission are still arduous. However, he added, further substantial results could be achieved if all member states make greater efforts and continue to strengthen their cooperation.

He said that China, as it did before, will spare no effort to cooperate with other countries and work toward the realization of the disarmament goals.

The Disarmament Commission, a subsidiary organ of the U.N. General Assembly, discussed during the session regional disarmament within the context of global security; ways of sharing military information; the process of nuclear disarmament in the framework of international peace and security; and the role of science and technology in the context of disarmament.

Tian Jiyun at International Commercial Seminar

*OW1005214191 Beijing XINHUA Domestic Service
in Chinese 1239 GMT 10 May 91*

[By reporter Fu Gang (0265 0474)]

[Text] Beijing, 10 May (XINHUA) —Tian Jiyun, vice premier of the State Council, met with all the representatives attending the first China International Commercial Seminar this afternoon. Tian Jiyun said the fact that China sponsors this international conference shows China's contacts and cooperation with the international commercial sector have reached a new level.

He said the conference provides a good opportunity for China's commercial sector to assimilate rationally and draw on the advanced experiences and knowledge of foreign countries and promote development of the commercial sector in the light of the national conditions of China.

Tian Jiyun extended a warm welcome to the representatives sent by the commercial sector of Taiwan to attend the conference. He pointed out it promotes not only exchanges and cooperation between commercial sectors on the two sides of the Taiwan Strait but also economic and cultural exchanges between the two sides of the Taiwan Strait.

Meanwhile, he said: A trend of sustained, steady, and coordinated national economic development has appeared in our country at present. We may very well be convinced that China's commercial sector will enjoy even greater development along with further development of the socialist commodity economy.

Wang Tiance Urges Improved Preference Systems

*OW1305203891 Beijing XINHUA in English
1756 GMT 13 May 91*

[Text] Geneva, May 13 (XINHUA)—A Chinese official today urged industrialized nations to continue to improve their respective preference schemes so that developing countries could enjoy all the benefits of the Generalized System of Preferences (GSP).

The GSP, adopted by the United Nations Conference on Trade and Development (UNCTAD), is a system under which developed and non-market-economy countries unilaterally grant preferential tariff treatment to exports from developing countries on a nondiscriminatory, non-reciprocal basis.

Wang Tiance, head of the Chinese delegation, told the UNCTAD special committee on preferences that unilaterally discriminative measures and administrative interventions by some preference-giving countries had made it extremely difficult or even impossible for the preferential exports from preference-receiving countries to enter the markets of preference-giving countries.

Wang described measures of anti-dumping and countervailing and product graduation as "particularly serious."

Like other preference-receiving countries, China had also encountered various unreasonable limitations and discriminative treatment in utilizing the GSP, Wang said.

"Some preference-giving countries have not granted GSP treatment to China out of noneconomic reasons," he said, adding that this situation should be reversed as early as possible.

The GSP would become an even stronger instrument for the promotion of North-South trade if the preference-giving countries would continue to improve their preference schemes and refrain from carrying out various unjust and unreasonable practices, the Chinese official added.

IFAD Offers 25.3 Million Dollar Soft Loan

*OW0905034291 Beijing XINHUA in English
0104 GMT 9 May 91*

[Text] Rome, May 8 (XINHUA)—The International Fund for Agricultural Development (IFAD) offered China a soft loan of 17.85 million SDR [Special Drawing Rights] (about 25.3 million U.S. dollars).

This came in an agreement signed today by the organization with Chinese ambassador to Italy.

The loan will be used to help develop farm production, forestation and animal husbandry in five counties of Shanxi Province, which is expected to bring benefit to 500,000 people there.

Red Cross Approves Aid for Third World

*OW1105113491 Beijing XINHUA in English
0832 GMT 11 May 91*

[Text] Beijing, May 11 (XINHUA)—The Red Cross Society of China will provide 200,000 yuan rmb [renminbi] worth of materials to its counterpart of Bangladesh to relieve the victims of windstorms in the country, according to sources from the society.

The China Red Cross, proceeding from humanitarianism, will also grant 1000 blankets to aid the people in earthquake stricken areas in Costa Rica and Panama, and provide 200,000 yuan worth of medicine and children's food for its counterpart in Albania.

Beijing Hosts Environmental Protection Symposium

OW1105013591 Beijing XINHUA Domestic Service
in Chinese 0904 GMT 9 May 91

[By reporter Zhang Yi (1728 3015)]

[Text] Beijing, 9 May (XINHUA)—A symposium on environmental protection in developing countries sponsored by the State Environmental Protection Bureau and China International Trust and Investment Corporation (Group) opened at the Beijing International Trade Center this morning. All of the speakers asked developing countries not to repeat the mistakes of the industrial countries and to pay more attention to environmental protection while developing their economies.

In his speech, Qu Geping, director of the State Environmental Protection Bureau, said that mankind, facing the challenges of a deteriorating environment, is in a critical stage of development and that the era of achieving industrial development at the expense of the environment has passed. He said: The tremendous achievement made by China in industrialization in the last 40 years has also resulted in serious environmental pollution and ecological damage. Since the 1980's, the Chinese government has paid close attention to environmental issues. Given its limited financial resources, it has nevertheless allocated an appropriate amount of money to protect the environment. Its 1989 environmental protection expenditures accounted for 0.7 percent of total government expenditure, a fairly high percentage among developing countries. Qu Geping also pointed out: The task of environmental protection in China is still arduous, given its irrational industrial distribution, backward technology and equipment, serious waste of energy resources, and failure to adequately control pollution in the past.

Woolard, chairman of the board of the U.S. Du Pont Company, was specially invited to give a speech. He said that in planning for economic development, developing countries should first consider environmental issues to avoid incurring huge expenses on environmental protection projects.

International Olympic Official Visits Beijing

OW1105112091 Beijing XINHUA in English
0736 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—The Beijing Bidding Committee for the 2000 Olympic Games is tuning up its campaign by inviting an International Olympic Committee [IOC] advisor to visit the city.

Fekrou Kidane is on a four-day inspecting tour of the city to make recommendations and suggestions when he meets with Wu Shaozu, minister of the Chinese State Commission of Physical Culture and Sports, and He Zhenliang, president of the Chinese National Olympic Committee as well as Zhang Baifa, vice-mayor of Beijing.

Mr. Kidane accompanied IOC President Juan Antonio Samaranch on his visit to Japan to attend the closing ceremony of the 41st World Table Tennis Championships at Chiba.

United States & Canada

Bush Cited on Giving Up Use of Chemical Weapons

OW1405014691 Beijing XINHUA in English
2359 GMT 13 May 91

[Text] Washington, May 13 (XINHUA)—U.S. President George Bush today announced the United States will give up its right to use chemical weapons and destroy the stockpile, if the international community can reach an agreement to ban such weapons.

"The United States will forswear the use of its own chemical weapons for any reason, including retaliation against chemical weapons attacks, as soon as the Chemical Weapons Convention (CWC) enters into force," Bush said in a statement.

He also said that the United States "will commit itself to the unconditional destruction of all of its chemical weapons and chemical weapon stocks and chemical weapons facilities within 10 years" once a CWC agreement takes effect.

An administration official said those two points reflect "important changes" in the U.S. position.

The United States has previously said that it will retain the right to have 2 percent of its chemical weapons in existence essentially until all chemical weapon states join the treaty.

It has also said that it reserves the right to retaliate against chemical weapons attacks with chemical weapons of its own.

Bush said he is taking the step in a hope to accelerate the Geneva negotiations for a global ban on chemical weapons.

He expressed the hope that all major issues in the negotiations would be settled by the end of this year, and a treaty be ratified by the end of 1992.

Bush also called on other nations to join his effort to ban chemical weapons.

Article Views Quayle's Political Troubles

HK1405042191 Hong Kong TA KUNG PAO in Chinese
11 May 91 p 4

[Article by Chiang Hsu-lien (3068 4825 5571): "Will Bush Give Up Quayle in 1992 Presidential Election?"]

[Text] After repeated physical checkups, the latest diagnosis of President Bush's condition is "exophthalmic goiter." The doctors stressed that there was no need to

conduct surgery and that his irregular heartbeat could be cured in a short time through medication. However, this could still not stop the political shock waves in government and nongovernment circles in the United States resulting from Bush's sudden hospitalization.

When reading newspapers these days, Americans can see on the front page such headlines as "President Quayle? No Thanks"; "Quayle's Ability Is Questioned Again"; "Health Panic Renews Concern Over Quayle"; and "Himself (Bush), O.K.—But How About Dan (Quayle)?"

Undeserved Ill Turn for Quayle

The President suffered an irregular heartbeat, but what has this to do with the vice president? The President's health trouble unexpectedly brought a major political headache to Quayle, who should be admired for being young and healthy.

The two latest opinion polls this week showed that most American people hoped that Quayle would be removed from the partnership of the Republican presidential candidacy in the 1992 election. This showed that the public was again worried about Quayle's ability to bear the President's heavy burdens.

The poll, jointly conducted by THE WASHINGTON POST and ABC, showed that 54 percent of the respondents agreed that Bush should choose another partner for the 1992 election; and 57 percent agreed that Quayle is not qualified to be a successor to Bush.

Another poll conducted by USA TODAY showed that 51 percent of Americans believe Bush should choose another running mate if he decides to run for another term in 1992; but 43 percent of people agreed that Quayle has the qualifications to be President.

Quayle was suddenly exposed to fierce attacks from various quarters, and was faced with an undeserved ill turn in his career.

In fact, Quayle has long been a target of some people's gossip. In 1988, Bush chose Quayle as his campaign partner. Because Quayle was obscure in political circles and was short of political experience, he did not win favorable comments during the campaign. Despite quietly putting his shoulder to the wheel for two years, he still cannot change his image in the minds of the people.

As half the American public holds that Quayle is not qualified to sit in the Oval Office of the White House, will Dan Quayle remain in the partnership of the Republican presidential candidacy for the 1992 election?

Over the past few days, Bush has continued to defend Quayle and praised him for "doing a first-class job." Bush said "I fully support him," and also encouraged Quayle to "keep your head up." Bush said: "He is a man, a strong man." Bush repeatedly stressed that he had no intention of giving up Quayle in the 1992 election campaign.

International Opinion on Quayle

Of course, most Americans admitted that in the past, having Quayle as vice president was not a problem, and that it was not wrong to choose him. At that time, however, the public was impressed with Bush's image as a healthy sportsman, and there was no sign of physical trouble concerning Bush. Now, things are different. There is trouble with Bush's heart and thyroid. In the event there is something wrong with Bush during his tenure, Quayle would have to take over his duties, even though it might be for a short time. Quayle's knowledge, maturity, behavior, experience, wisdom, and judgment will all become open to question. This is indeed a serious question that the public cannot feel relaxed about.

Public opinion in all parts of the world also expressed concern. Apart from reporting Bush's health condition, the news media in all parts of the world also gave a great deal of coverage to the "Quayle factor."

Quayle is 44 years of age. Before being chosen by Bush as his campaign partner, Quayle had been a senator for two terms. He was born to a wealthy publisher's family in Indiana. Through their investigations, the press found that his academic results in school were not good, and that he was more fond of playing golf than studying. During the Vietnam war, he evaded military service by joining the National Guard while his schoolmates were conscripted to Vietnam. These two points later became targets of criticism.

Quayle was originally a lawyer, and also worked with the Prosecutor's Department of the Indiana State Government and with the staff of the state governor. He became a congressman when he was in his thirties.

Doing a Remarkable Job in Handling Concrete Affairs

In his period as vice president, Quayle has always been faithful to Bush, and has never tried to attract the limelight away from him. Maybe this has made him unable to establish his own image. However, according to aides in the White House, Quayle is a vice president with real power. Given his previous experience of being vice president for Ronald Reagan, Bush did not want Quayle to tread the same path. So he passed quite a few concrete affairs to Quayle, including the task of tackling drug traffickers in South America. Quayle also did a remarkable job in handling these affairs.

Quayle is also a member of Bush's brain trust, and often has working lunches with the President. There he offers his advice to the President. Reportedly, after the end of the Gulf war, Quayle advised Bush on the need to protect the Kurds against attacks from Iraqi troops, and Bush accepted his opinion and decided to set up refuges for the Kurdish people in northern Iraq.

In addition, Quayle has also made a great contribution to the improvement of communications between the White House and Capitol Hill.

He May Retreat From the Scene in the Face of Ruthless Reality

The Gulf war boosted the reputation of two military figures—General Powell and General Schwarzkopf. This gave rise to conjecture that Quayle would be kicked off the 1992 election ticket. However, both Powell and Schwarzkopf expressed no interest in engaging themselves in politics, and Bush again and again stressed that he would never abandon Quayle.

However, politics is a ruthless thing. With the 1992 election drawing near, even if Bush is healthy and energetic, as long as the U.S. economy remains stagnant and does not show a recovery, Quayle will just be a "detrimental and useless" factor. Then, in order to keep himself in the White House for another term, Bush may have to make a painful political decision—kicking away his second-in-command.

Soviet Union

Jiang Zemin's Upcoming Visit, Relations Viewed

HK1405060991 Hong Kong TA KUNG PAO in Chinese 14 May 91 p 1

["Special Article" by Ching Shan (7230 1472): "Give New Impetus to Sino-Soviet Relations: Written on Eve of Jiang Zemin's Soviet Union Visit"]

[Text] Beijing, 13 May (TA KUNG PAO)—Jiang Zemin, general secretary of the CPC Central Committee, is about to set out to visit the Soviet Union. Although this is a return visit for CPSU Central Committee General Secretary Gorbachev's 1989 visit to China, anyone can see that this visit is absolutely not a general courtesy contact but an event with rich connotations and important significance.

Second Summit Meeting

Jiang Zemin's trip to Moscow is the first visit by a CPC supreme leader since Mao Zedong's November 1957 visit as well as the second summit meeting since Sino-Soviet relations stepped onto the normal track in 1989.

Times are marching and the situation is developing. In the past, the Chinese and Soviet parties were incompatible with each other because of differences in ideologies and they extended the ideological differences to state relations; they have now discarded this course of action. This has created a prerequisite condition for the normal development of relations between the Chinese and Soviet parties and countries and, at the same time, ended the state of no contacts between the two countries' supreme leaders for over 30 years.

At the first Sino-Soviet summit meeting in 1989, the two leaders wisely decided to "bring the past to an end and to open up the way to the future," realizing the normalization of relations between the two parties and two countries. The joint communique, published by both sides,

affirms the criteria of state relations in five aspects—mutual respect for sovereignty and territorial integrity, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence; and records the agreement that the two parties should carry on contacts on the basis of the principles of maintaining independence, keeping the initiative in one's own hands, complete equality, mutual respect, and noninterference in each other's internal affairs.

Good-Neighborly Relations

Over the past two years, under the guidance of these principles, good-neighborly and friendly Sino-Soviet relations have developed substantially. The political contacts and consultations between the two countries have been strengthened; personnel contacts have increased; levels have been enhanced; and economic, trade, and cultural relations between the two countries have developed quickly. Apparent progress has been made in the two countries' border area disarmament talks and border talks in a friendly atmosphere. It was announced that an agreement on the eastern area of the Sino-Soviet border was initialed at the fifth round of Sino-Soviet border talks that just concluded in Moscow. This progress will obviously encourage both sides to continue to impartially and rationally solve the other problems left over by history in the light of the spirit of the 1989 joint communique. Although people do not know whether the agreement on the eastern area already initialed includes Heixiazi Island or not, as Gorbachev had announced the principle of drawing a demarcation line along the main channel's center, it is believed that this problem's solution is merely a matter of political will and a matter of time. It is expected that during Jiang Zemin's Soviet Union visit, both sides will finally determine and officially sign the agreement on the eastern area of the border.

This development in Sino-Soviet good-neighborly and friendly relations is a reasonable matter. China and the Soviet Union are neighbors and have borders 7,000 and several hundred km long. The two countries' peoples have kept close ties and contacts and traditional friendship exists. The two countries have supplemented each other economically. Moreover, China and the Soviet Union are large countries and permanent member states of the UN Security Council. The two countries should regularly consult with each other, make concerted efforts to safeguard world peace and to solve all kinds of global problems, and make contributions. Sino-Soviet good-neighborliness and friendship conforms to both the basic interests of the peoples of the two countries and the interests of Asian and world peace.

The Aim of the Soviet Union Visit

It is because of this that, while vigorously developing its relations with all states of the world in recent years, China has unremittently stressed the importance of developing relations with its great neighbor, the Soviet Union.

The aim of Jiang Zemin's Soviet Union visit is, it seems, to further push forward the normal development of the relations between two parties and two countries and to further deepen the friendship between the two countries' peoples on the foundation of the 1989 joint communique and on the basis of the unremittably strengthened ties and cooperation between the two parties and two countries in the last two years.

The Chinese people attach great importance to ties of friendship. The Chinese people will never forget the support the Soviet Union gave the Chinese people in the period of the War of Resistance Against Japan and the economic and technological assistance the Soviet Union gave China in the 1950's. When Jiang Zemin visits the Soviet Union, he will not only bring the Chinese people's sincere friendship and extend their cordial greetings to the Soviet people but will also send charcoal in snowy weather when the Soviet people are encountering temporary difficulties. In addition to last year's commodity loans of 500 million Swiss francs, China has given the Soviet Union commodity loans of 1 billion Swiss francs. Such support fully shows the Chinese people's friendly affection.

Jiang-Gorbachev Talks

The specific arrangements for Jiang Zemin's visit have not yet been announced but the key point is surely Jiang-Gorbachev talks. In the present situation, in which the new setup of the world is replacing the old, the world situation is complicated and changeable; detente and tension coexist; the two large countries, China and the Soviet Union, will naturally exchange their views on many important international problems, including the current most popular problem of the "new world order." At the same time, the two leaders will also definitely inform each other of the situation in their own countries and their situation in reform and construction and discuss the problems of further developing bilateral relations.

People believe that Jiang Zemin's visit will surely enhance the two countries' mutual understanding; deepen the friendship between the two countries, two parties, and the two countries' peoples; and make new important contributions toward the promotion of the development of the good-neighborly and friendly relations between the two countries.

In light of logic and current trends, Sino-Soviet relations will continuously improve, and there are broad prospects for development because both sides have cast off the ideological shackles and have tremendous potential for developing friendly and cooperative relations in many aspects. However, relations between the two countries will not be restored to the allied state of the 1950's because both sides announced in 1989 that the development of Sino-Soviet relations was not directed against a third country and would not infringe upon a third country's interests. Furthermore, China has reiterated time and again that it pursues the diplomatic policy of

maintaining independence and keeping the initiative in its own hands and adheres to the stand of not forming an alliance with any country.

Bilateral Economic, Scientific Ties Expanding

OW1405021091 Beijing XINHUA Domestic Service
in Chinese 0653 GMT 13 May 91

[By reporters Sheng Shiliang (4141 0013 5328) and Wang Nanzhi (3769 0589 2655)]

[Text] Moscow, 13 May (XINHUA)—Sino-Soviet economic, trade, scientific, and technological cooperation has enjoyed a rapid growth in recent years. The volume of bilateral trade in 1990 increased 16 times over the figures recorded in 1981. Since the resumption of scientific and technological cooperation six years ago, cooperative relations characterized by multichannel, multisubject, and multiform effectiveness have been established. The coming visit to the Soviet Union by General Secretary Jiang Zemin will advance further the economic, trade, scientific, and technological cooperation between the two countries.

This is a common understanding shared by Osadchuk, deputy minister of foreign economic relations; Lu Shutang, commercial counselor of the Chinese Embassy in Moscow; Shen Qingjian, science and technology counselor of the Chinese Embassy in Moscow; and (Sarzhenov), official of the Soviet Science Commission, during interviews with XINHUA reporters.

Deputy Minister Osadchuk shook our hands cordially and said: "Your achievements surprised me and made me envious."

While talking about Sino-Soviet border trade, he said: About 80 percent of Chinese export goods are agricultural products and light industrial and textile products, which play an active role in relieving the short supply of consumer goods in the Soviet Union. Major commodities of Soviet exports to China are electromechanical equipment. The trade between China and Soviet is highly supplementary.

The deputy minister, who has been in charge of economic and trade relations with China for four years, said: In 1981, the volume of barter trade was 180 million rubles (one ruble equals about \$1.7). It reached 3 billion rubles last year. Since we changed from clearing agreement trade to spot exchange trade this year, it is expected that the trade volume will somewhat decrease. However, there is room for development in the reciprocal supply of goods between departments and enterprises and in border and regional trade. New cooperation projects such as joint venture enterprises, cooperative production, and multilateral joint venture projects have begun to show their strength. In the future, the two countries will take priority in developing science and technology as well as fields closely related to the life of the people.

He expressed his admiration for China's ability to maintain a stable supply of commodities with good quality and its endeavors to keep good credit. He said: "China has entered steadily into the top 10 among 150 trade partners of the Soviet Union."

Lu Shutang, commercial counselor of the Chinese Embassy in Moscow, said: The Soviet Union ranks fourth among China's trade partners, with a trade volume which accounts for about 6 percent of China's total foreign trade. While the Soviet Union suffered a decrease in foreign trade by 6.4 percent last year, its foreign trade with China increased by 26 percent.

The counselor, who has worked for Sino-Soviet trade relations for 22 years, said: The border and regional trade, which resumed in 1983, has enjoyed rapid growth. Last year, it reached 1.7 billion Swiss francs (one Swiss Franc is about \$0.7) or more than one fifth of the total bilateral trade. China also provided 500 million Swiss francs in commodity loans to the Soviet Union last year.

Economic cooperation also experienced quick development. In recent years, China has sent 15,000 workers to the Soviet Union. China also has established nearly 30 joint-venture enterprises in the Soviet Union.

Counselor Lu said: Efforts should be made in the future to maintain a balance in bilateral trade, do a good job in coordinating and managing booming border and regional trade, and rectify labor exports to and contracts of engineering projects in the Soviet Union.

One of the new features in Sino-Soviet economic and trade relations is that scientific and technological cooperation projects have begun to take deep roots, with some of them developing into technological, industrial, and trade cooperation and others into technological, agricultural, and trade cooperation, thus further promoting economic and trade cooperation between the two countries.

Shen Qingjian, science and technology counsellor of the Chinese Embassy in Moscow, said: Scientific and technological exchanges can be carried out through diverse channels between government departments, academies of sciences, and nongovernmental science and technology associations and federations of science and engineering societies. As far as the forms of cooperation are concerned, 35 long-term projects on scientific and technical cooperation have been carried between 32 corresponding departments. Moreover, in addition to about 100 short-term projects on cooperation in study, lectures and exchange of information are being carried out between the two countries annually. Moreover, there are cooperation projects between Beijing and Moscow, Shanghai and Leningrad, Xinjiang and central Asia, and Heilongjiang and eastern Siberia in the Far East.

The two countries have decided on 33 research topics in the fields of nuclear power, ferrous metallurgy, automation, petroleum prospecting and processing, chemical

reagents, dyes, new materials, and biotechnology. Cooperation in the research of aviation and space science has already begun.

Counsellor Shen Qingjian expressed the belief that the Soviet Union is strong in basic research and advanced in some scientific and technological fields, while China is superior in the light industry, agriculture, foods, petrochemistry, electronics, and household electric appliances. There are great prospects for equal and mutually beneficial cooperation in science and technology between the two countries.

(Sarzhenov), deputy director of the department of scientific and technical cooperation with socialist countries under the Soviet Committee for Science and Technology who was a diplomat in charge of scientific and technical cooperation of the Soviet Embassy in China for many years, said: A number of Chinese designs with global quality can be marketed in the Soviet Union. China can also use Soviet designs and production technology to manufacture goods in great demand in the international market. Through establishing a foundation for scientific and technical innovations, the two countries can raise funds for major scientific and technical cooperation projects, which have a certain risk. He said that the Soviet Union wishes to expand bilateral cooperation in various fields.

Role in Mideast, Relations With U.S. Viewed

HK1405064591 Beijing SHIJIE ZHISHI in Chinese
No 7, 1 Apr 91 pp 8-9

[Article by Shen Yiming (3088 0001 7636): "Soviet Union Will Not Lie Idle"]

[Text] **The Soviet Union is willing to cooperate with the United States in settling the Gulf and Middle East issues; however, it cannot give up its fundamental interests there.**

Judging by its official statements and international activities during the Gulf crisis and war, the Soviet Union has been striving to play an important, political role in settling the entire Middle East issue, although it did not participate in the Gulf military operations. Such an intention is more conspicuous after the Gulf war.

Bessmertnykh, the Soviet foreign affairs minister, stressed on the eve of the end of the Gulf war: "The Soviet Union will play its own role in building not only a security structure in the Gulf region but also a postwar security structure in the entire Middle East region." He also said: "Without Soviet participation, it will be impossible to achieve this (referring to the building of a security structure)."

Take an Active Part Politically

There are three quite spectacular points in what the Soviet Union did during the Gulf crisis:

First, on such a major international dispute, the Soviet Union did not give tit for tat to the United States as

before, but stood on the same battlefield in dealing with Iraq; second, the Soviet Union proclaimed Iraq, a Third World ally, as an aggressor, and favored taking military action against it; third, in nearly half a year from the start of the crisis to the outbreak of the war, it mediated in many ways and, after the multinational forces began the air raid against Iraq, it still tried hard to play the mediator. The Soviet Union wanted to maintain the momentum of detente and cooperation with the United States and participate in the development of the Gulf situation by political means, thus playing the role it wished to play at the smallest cost.

Taking an overall survey of the Soviet diplomatic track since the Gulf crisis started, we can see that the Soviet Union was actively involved in every stage of the crisis politically. The first stage was from 2 August, when the crisis broke out, to the end of September. On the one hand, the Soviet Union condemned the Iraqi invasion of Kuwait, called for the unconditional withdrawal of Iraqi troops from Kuwait and the restoration of Kuwaiti sovereignty and, at the same time, stood for mediation through "collective efforts" and, in particular, through the good influence of UN organizations, but was against the use of force for a settlement. On the other hand, while stating that it was not prepared to send troops to the Gulf, the Soviet Union indicated that it would "participate in the discussion of the issue within the scope of military staff missions," and declared that it was "far from being indifferent" to U.S. deployment of troops in the Gulf region. This reveals its worries about U.S. troops' continuous stay in the Gulf region after the settlement of the crisis. The second stage was from early October to the eve of war. The Soviet Union sent one special envoy after another to shuttle between the Middle East nations in an attempt to find a compromise among all parties concerned for a political settlement of the Gulf crisis. However, Saddam flatly rejected the Soviet proposals, nor were they acceptable to the United States and its allies. The third stage was from the eve of war to its end. The Soviet Union made further efforts to play its political role. While agreeing to Resolution 678 passed by the UN Security Council to "use all necessary means" against Iraq, the Soviet Union still called on all parties concerned to "restore Kuwaiti independence by political means," called for "taking all measures to stop the war as quickly as possible," or at least "minimize the war as quickly as possible," and made every effort to prevent Israel from being drawn into the war. Leaving no stone unturned, it persuaded Iraq to accept its proposal for troop withdrawal. At the same time, it reminded the U.S. and multinational troops not to go beyond the authorization of Security Council resolutions in their military operations. Especially before and after the multinational troops launched the ground attack, the Soviet Union sent presidential advisor Primakov to visit the Middle East again, put forward a cease-fire proposal, held frequent consultations with the United States, invited the Iraqi foreign minister to visit Moscow twice, and tried hard to persuade Iraq to withdraw its troops.

Consideration Should Be Given to All Parties

After Iraq risked universal condemnation and brazenly invaded Kuwait, the Soviet Union immediately coordinated policies with the United States. On 9 September 1990, the heads of state of the two countries met in Helsinki to consult taking a unanimous stand towards the Gulf crisis and establishing a "partnership" in settling regional conflicts. People observed that the Soviet Union tried its best to identify itself with the United States in dealing with Iraq, condemned and imposed sanctions against Iraq for its aggressive act, and supported the dispatch of U.S. troops to the Gulf. But on the other hand, the Soviet Union was also worried that the U.S. military buildup in the Gulf would pose a strategic threat to it. Lobov, Soviet senior general and former chief of staff of the joint forces of the Warsaw Pact, told a TASS reporter at the end of August last year that if the U.S. troops were stationed in Saudi Arabia, which is close to Turkey, a NATO member, and marched into Iraq, this would possibly form a complete curve between NATO's east flank and Saudi Arabia, thus completely changing the strategic equilibrium in the region. He also said, not without some anxiety, that it should be known that as Iraq is only 200 km away from the border of Georgia, Armenia, and Azerbaijan, the United States could possibly put pressure on the development of events in this region, and that all this must be taken into account in formulating Soviet policies towards the Gulf crisis.

The Soviet Union condemned Iraq for its act of aggression, joined the ranks of international sanctions, raised its hand in favor of a Security Council resolution calling for the "use of all necessary means" against Iraq and, at the same time, tried its best to maintain its ties of friendship and cooperation with Iraq lest they break off completely, to safeguard the Soviet position and influence in the Middle East.

Proposals on the Postwar Arrangements

As soon as the Gulf war ended, the Soviet Union immediately forwarded proposals for handling post-war affairs. Up to the present, the Soviet Union has laid special emphasis on the following aspects as the key points for its involvement in the post-Gulf war process: First, it proposes holding an international conference to formulate a security system or structure for the Gulf region. Second, it wants to make the Palestinian issue and the Israeli-Arab conflict the core in settling the Middle East issues. Third, the relationship between the Soviet Union and Iraq will continue to develop even if there is a change in the Iraqi Government, and the 1972 Soviet-Iraqi friendship treaty remains in effect. The issue of who will lead Iraq and the form of its state administration will be up to the Iraqi people themselves to decide. Fourth, the issue of restricting arms supplies to this region will be solved on the basis of a "collective decision." The Soviet Union does not intend to "unilaterally or independently" discuss the issue of supplying arms to Iraq or other nations in the Gulf region.

The reason why the Soviet Union is so active in forwarding its idea of building a security system is that its important status as a big power calls for it to step forward to speak when its strategic interests are involved. The Soviet Union emphasizes the necessity of convening an international conference because it is unwilling to let the United States dominate this region, and it strives to "legally become the initiator of an international conference," in order to play its role in the Middle East.

The "Complicated Period" Has Begun

The U.S. response to the Soviet proposal on convening an international conference to discuss Middle East issues was cold because the objectives of both sides on the Middle East issues are completely different. The United States once expressed the hope that the Soviet Union would continue to play an active role in the Gulf and Middle East but, in effect, attempted to place the Soviet Union in the seat of audience applauding the actors on the stage. This has added to the complicated nature of Soviet participation in the settlement of the Middle East issues. To counter the Western remark that "the Soviet Union has nothing more to do in the Middle East, and should not be allowed to meddle in regional issues," Soviet presidential spokesman Ignatenko told a TASS reporter that the Soviet Union and the United States' "complicated period of cooperation after the Gulf conflict is about to begin." Some western specialists on international issues have been talking about the U.S.-Soviet "partner relationship" running into trouble.

According to their opinions, the recent Soviet practice on Gulf and Middle East issues indicates that: First, after the cold war ended, Soviet-U.S. relations tended to relax, however, the contradictions between them have not been completely solved and, under certain circumstances, there may still be trials of strength. Second, Soviet-U.S. cooperation on Middle East issues is conditional. At critical junctures, the Soviet Union must keep the United States at arm's length. The most evident instance is that the Soviet Union, while agreeing to the Security Council resolution on the use of force against Iraq, would not send troops during the Gulf crisis. When the United States dealt a devastating blow at Iraq, the Soviet Union immediately warned the United States not to go beyond the authorization of the Security Council resolution. Third, it is obvious that the balance of power does not exist between the Soviet Union and the United States in the Middle East. Being a great power, the Soviet Union will by no means tolerate "a second-class role" in settling the Middle East issues.

Even though the Soviet Union has strategically pulled back in the Middle East region, there are still a number of things that it will not give up, such as its strategic interests in the Middle East; its consideration of security arising from its close geographic proximity to the Middle East; its traditional influence in the Third World; its special status in the United Nations; and so on. All this makes it impossible for the Soviet Union to stand by

with folded arms regarding the postwar Middle East security issue. However, the United States will not easily abandon its "dominant position" in the Middle East, and this will definitely serve as a great obstacle to the Soviet Union playing its role in the Middle East.

Ministers Consider Transition to Market Economy

OW1405015791 Beijing XINHUA in English
0131 GMT 14 May 91

[Text] Moscow, May 13 (XINHUA)—The Soviet cabinet meeting, which started early this month, ended its discussion today on the duration and ways of transition to a market economy.

The cabinet meeting, totally devoted to the economic concept for 1992, drew conclusions on three key points:

- 1992 would be a year of stepping up transition to a new type of economic relations.
- Any form of retrogression should be firmly rejected.
- And it had now been made explicit that foreign investment was needed during the course of establishing a market economy.

The meeting stressed that enterprises, as manufacturers of products, should become the masters of the economic zones now under construction. Those promising enterprises which could contribute in both home and foreign markets in the near future should become a powerful tool to get the country out of the present crisis.

The meeting also noted that the work should also be in top priority to turn the Soviet rouble into a convertible currency, within the country, in the near future.

Northeast Asia

Students Suspected in Japanese Visa Fraud Case

OW1105105291 Tokyo KYODO in English 1035 GMT
11 May 91

[Text] Shanghai, May 11 KYODO—Japan and China have started probing a case in which Chinese students are suspected of using forged graduation certificates to apply for Japanese visas, Japanese diplomats said Saturday.

The Japanese Consulates General in Shanghai and Guangzhou said about 1,500 students in Fujian Province were involved in the case.

These students have already gone through procedures to obtain visas from the Japanese Justice Ministry with forged documents certifying graduation from Chinese schools and paid entrance and tuition fees amounting to several hundred thousand yen to Japanese language institutes, the officials said.

The Japanese Embassy in Beijing and the Chinese Foreign Ministry have begun to re-examine documents submitted by the students, the officials said.

They said about 1,000 students obtained permits in Shanghai and another 500 in Guangzhou.

The forgery case came to light when the Japanese Consulates General re-examined these documents in March in order to issue visas, the officials said.

The officials said the Japanese diplomatic missions may be forced to issue visas to these students, however, since the documents they submitted have cleared the initial screening.

Thousands of Chinese students staged protests in Shanghai in the fall of 1988 when they were denied permits to enter Japan for study.

The government ordered Japanese institutions to refund fees paid by the students.

Article on 'Chaotic' Situation in South Korea

HK1405065291 Hong Kong TA KUNG PAO in Chinese
11 May 91 p 2

["Political Talk" column by Shi Chun-yu (2457 0689 3768): "South Korean Situation Rapidly Deteriorates"]

[Text]

Fifth College Student Sets Himself on Fire

Anti-governmental demonstrations held by South Korean students are intensifying. Yesterday, another college student set himself on fire as a protest against the No Tae-u administration's suppression of students, making the total number of college students committing self-immolation to five (three of whom have already died) so far. On the other hand, the government authorities are not to be outdone. The National Assembly in Seoul forced through an amendment yesterday to the National Security Law in order to strengthen suppression measures. When legislators from an opposition party, the New Democratic Party, attempted to prevent the bill from being passed, a fight broke out between legislators of two sides. All this has attracted more world attention to the future development of the political situation in South Korea.

On 9 May, demonstrations held by several hundred thousand students broke out in South Korean cities, the biggest in scale since struggles demanding democracy in 1987. Nearly all newspapers throughout the country severely criticized the violent suppression staged by the police authorities, but at the same time they also criticized the extremist behavior of certain students in the demonstrations. Kim Su-hwan, a religious leader who enjoys a fairly high reputation in South Korea, and Kim Chi-ha, a poet who is called the "standard-bearer" of the anti-establishment movement, respectively warned students in newspapers that any escalation of violence between students and police would result in shaking the country to its very foundations.

In this political struggle, people from opposition parties participated in students' demonstrations, attempting to seize the opportunity to topple the No Tae-u administration. By so doing, they could first weaken the ruling Democratic Freedom Party by taking local elections scheduled for the end of June, and then win the next presidential election, which will be held in one year and nine months in February 1993.

Kim Yong-sam Intends To Compromise With Opposition Parties

The No Tae-u administration has been weakened by the antigovernment demonstrations this time. As another leader of the ruling party who always hopes to be nominated for the presidential election, Kim Yong-sam began to seek ways to compromise with the opposition parties. This compromise means an internal power shift within the ruling party, that is, to sacrifice and substitute No Tae-u with Kim Yong-sam.

Since April 1960 when South Korean students held bloody demonstrations to overthrow Sing-man Rhee's military autocratic rule, there have been anti-governmental students' movements in April and May each following year. Originally, students had no specific political goals in this year's movement, because the No Tae-u administration has claimed the realization of democracy as its greatest goal, and several political structural reforms are currently underway. Since he took office in the spring of 1988, No Tae-u has abolished, one after another, power policies adopted by the Chon Tu-hwan administration and carried out democratic reform in economic fields such as the formulation of the land ownership law. The only thing remaining unchanged is the system of public security police.

What Counts Is the Choice of the Korean People

On the other hand, due to the fact that the gap between the rich and the poor still exists (last year's per capita GNP topped \$5,000), trade unions have sharpened their activities, demanding time and again for a big raise in pay. However, the increase in pay resulted in a rise in prices which intensified inflation. On seeing this, the trade unions went on more strikes to carry out more struggles. Students supported workers' strikes, and some radical students allied themselves with trade unions in order to overthrow the ruling power.

The killing of a student by riot police, who are hated bitterly by students, served as an incident that not only touched off this large-scale demonstration, but also aroused severe criticism among students, teachers, trade unions, and opposition parties to the government's public security policies. Some angry young students even set themselves on fire in order to stir up greater public indignation, thus giving rise to a high tide of "opposing the No Tae-u tyranny."

What counts is whether or not the South Korean people want to see the present economic and social foundations shaken by sustained turbulences throughout the country,

and whether or not they will take part in the student movement to overthrow the No Tae-u regime. So far, many people still disavow the extremist behaviors of students and workers, yet they also consider that the government police who beat the student to death should be dealt with according to law, and it will lead to dangerous consequences if the police only escalate suppression. The final choice of the vast numbers of South Korean people will decide the future development of this turbulent and chaotic situation.

Southeast Asia & Pacific

Thai Foreign Minister Asa Sarasin Arrives

OW1305125191 Beijing XINHUA in English
1206 GMT 13 May 91

[Text] Beijing, May 13 (XINHUA)—Thai Foreign Minister Asa Sarasin arrived here today by plane on a visit at the invitation of Qian Qichen, Chinese State Councillor and foreign minister.

Sources said that Asa Sarasin is scheduled to meet Chinese President Yang Shangkun and Premier Li Peng, and hold talks with Qian Qichen.

He will exchange views with Chinese leaders on bilateral relations, international situation and regional issues.

The Thai foreign minister was greeted at the airport by Chinese Vice Minister of Foreign Affairs Xu Dunxin.

Meets Qian Qichen

OW1405085991 Beijing XINHUA in English
0818 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Chinese Foreign Minister Qian Qichen and Thai Foreign Minister Asa Sarasin indicated here today that both sides had common views on the Cambodian question.

In their talks here, the two foreign ministers exchanged information and views on the Cambodian question, according to sources at the Chinese Foreign Ministry.

Qian, who is also state councillor, held that a solid foundation has been laid for a comprehensive political settlement of the Cambodian issue, with the working out of the framework documents of the five permanent members of the U.N. Security Council and the draft agreement of the Paris Conference on the Cambodian issue.

Asa Sarasin said that Thailand supports the framework documents and the draft agreement.

Both foreign ministers expressed the hope that Vietnam and Phnom Penh would accept the framework documents and the draft agreement.

The two foreign ministers voiced their support to the call of the co-chairmen of the Paris International Conference for the convocation of a Jakarta meeting in coming June.

They held that the cease-fire appeal made by the co-chairmen and the U.N. Secretary General has received positive response from the conflicting parties of Cambodia, thus creating a favorable atmosphere for the meeting in Jakarta. They wished the Jakarta meeting a success.

The two foreign ministers also expressed the hope that the efforts made by the various sides concerned would lead to an early resumption of the Paris International Conference.

At the meeting, Qian extended his welcome to the Thai foreign minister for visiting China shortly after assuming office.

The two foreign ministers also exchanged views on bilateral relations and on other regional and international issues of common concern.

Qian described the Sino-Thai good-neighborly and friendly relations based on the Five Principles of Peaceful Coexistence as an example of friendly cooperation between two neighboring countries.

He said that the Chinese Government has always attached importance to the development of its relations with Thailand. The Sino-Thai friendly relations would not be affected by what happened in their domestic affairs, Qian added.

Asa Sarasin thanked Qian for inviting him to visit China and said he was happy to pay this friendly visit.

The two foreign ministers expressed their satisfaction with the smooth development of the relations between China and Thailand.

Later, Qian hosted a dinner in honor of the Thai guests.

Air Force Commander Welcomes Thai Counterpart

OW1005175891 Beijing XINHUA in English
1516 GMT 10 May 91

[Text] Beijing, May 10 (XINHUA)—General Wang Hai, air force commander of the Chinese People's Liberation Army [PLA], presided over a ceremony here this morning at the PLA Air Force headquarters to welcome General Kaset Rotchananin, commander-in-chief of the Royal Thai Air Force.

General Kaset Rotchananin, Mrs Rotchananin and the party arrived in Beijing yesterday for an eight-day official and good-will visit to China at the invitation of General Wang.

Wang hosted a dinner here this evening in honor of General Kaset Rotchananin and his party.

Besides Beijing, the Thai guests will also visit Chengdu, Kunming, Xishuangbanna and Guangzhou.

Meeting With Qin Jiwei

OW1105113091 Beijing XINHUA in English
0812 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—Qin Jiwei, Chinese state councillor and defence minister, met with General Kaset Rotchananin, commander-in-chief of the Royal Thai Air Force, at the Great Hall of the People here today.

Present at the meeting was general Wang Hai, air force commander of the Chinese People's Liberation Army.

Kaset arrived here on May 9 for a friendly visit upon Wang's invitation. He is scheduled to visit Chinese cities of Chengdu, Kunming and Guangzhou.

Thailand To Retaliate for Burmese Shelling

OW1005114491 Beijing XINHUA in English
0644 GMT 10 May 91

[Text] Bangkok, May 10 (XINHUA)—Thai security forces will shoot back when Myanmar [Burmese] artillery and mortars hit Thailand, according to local press reports today.

The reports quoted Thai Task Force 34 chief-of-staff Colonel Thammanun Thaipwatchara [name as received] as saying that a smoke shell will be fired as a warning if a stray shell from Myanmar lands on Thai soil, but if the warning is not heeded, a real shell will be fired, he added.

The reports noted that eight artillery shells, believed to be fired by Myanmar troops, smashed into Wang Takhian Village in Mae Sot, Chiang Rai Province on May 2, wounding two people and damaging eight houses.

Thai authorities had charged that from September 1988 to July 1989, 140 stray artillery and mortar shells had landed in five villages in Mae Sot and Tha Song Yang districts of the province.

Moreover, about 500 Myanmar troops crossed the border on May 19, 1989 in pursuit of Karen rebels, and some 300 houses in Ban Wang Kaew [name as received] in Mae Sot were set ablaze during fierce fighting.

CPPCC Leader Meets Thai Women's Delegation

OW1005172291 Beijing XINHUA in English
1555 GMT 10 May 91

[Text] Beijing, May 10 (XINHUA)—Qian Zhengying, vice-chairman of the Chinese People's Political Consultative Conference, met with a women's delegation from Thailand at the Great Hall of the People here this afternoon.

Headed by Ruankeo Kuyakanon Brand, chairman of the Thai National Council of Women, the delegation is here to consolidate and strengthen the friendly ties between women organizations of the two countries and to exchange working experiences for women and children with its Chinese counterpart.

The delegation arrived here May 9 at the invitation of the All-China Women's Federation. It is scheduled to visit Chinese cities of Tianjin, Xiamen, Fuzhou and Guangzhou.

Wu Xueqian Meets Indonesian Minister

OW1305075991 Beijing XINHUA in English
0639 GMT 13 May 91

[Text] Beijing, May 13 (XINHUA)—Chinese State Councillor Wu Xueqian met at the Diaoyutai State Guesthouse here today with Roestam Soeparjo, minister coordinator for people's welfare of Indonesia, Mrs. Kardinah Roestam Soeparjo and his party.

On behalf of the Chinese Government, Wu welcomed Roestam Soeparjo to visit China for the first time.

He said since China and Indonesia restored their diplomatic relations last year, the two countries have increased their contacts. He expressed the belief that the current visit by Roestam Soeparjo will enhance mutual understanding and promote exchanges in the cultural, educational, social and welfare fields between China and Indonesia.

Roestam Soeparjo noted the Sino-Indonesian ties have broad prospects, saying that it is imperative for the two countries to work together to promote the welfare of their peoples.

He described the exchange of visit by leaders as a good way to strengthen the relations between the two countries. He said he will try his best for the development of the relations between Indonesia and China.

At the meeting, Wu Xueqian briefed the guests on China's reform and opening to the outside world as well as its cultural and educational undertakings.

Roestam Soeparjo and his party arrived in Beijing Sunday as guests of the Chinese Ministry of Culture and are scheduled to tour Shanghai, Hangzhou, Guilin, Guangzhou and Shenzhen in addition to Beijing.

Wang Bingqian Departs for Indonesia, Singapore

OW1305073291 Beijing XINHUA in English
0616 GMT 13 May 91

[Text] Beijing, May 13 (XINHUA)—A Chinese finance delegation led by Wang Bingqian, state councillor and minister of finance, left here by air this morning on an official goodwill visit to Indonesia and Singapore at the invitation of Indonesian Finance Minister Dr. J.B. Sumarlin and Singaporean Finance Minister Dr. Hu Tsu Tsao Richard.

Singapore's Lee Hsien Loong Meets Tian Jiyun

HK1105034591 Beijing RENMIN RIBAO in Chinese
7 May 91 p 4

[XINHUA Report by reporter Zhou Cipu (0719 1964 2613): PRC, Singapore Vice Premiers Hold Talks, Discuss Development of Trade, Technological Cooperation"]

[Text] Beijing, 6 May (XINHUA)—During today's talks, Premier Tian Jiyun and Lee Hsien Loong, visiting Singapore deputy prime minister and minister of trade and industry, expressed their hopes to further expand economic and trade cooperation between the two countries, and strive to sign an agreement on scientific and technological cooperation within this year.

During the talks, Tian Jiyun briefed his guests on China's current political and economic situations, concepts on future economic development, and developments of China's special economic zones and technological development zones. He expressed his satisfaction over the achievements China and Singapore have scored in bilateral cooperations. He said: There are a wide range of fields in which China and Singapore can carry out cooperation, and the Chinese Government will vigorously promote the cooperative relations between the two countries in the economic, trade, and scientific and technological fields.

Lee Hsien Loong said Singapore is very interested in the development of Shanghai's Pudong District, and is willing to cooperate with the Chinese side.

Lee Hsien Loong pointed out that trade relations are a very important aspect in the cooperation between Singapore and China. Singapore is willing to expand its trade with China to bring the trade relations between the two countries to new heights.

The two vice premiers also discussed issues concerning efforts to strengthen the cooperation between the two countries in the tourist field.

On the same day, Song Jian, state councillor and minister of the State Science and Technology Commission, met with the deputy prime minister and his party. In particular, the two sides discussed issues concerning scientific and technological cooperation.

Meets Shanghai's Huang Ju

OW1005213991 Shanghai People's Radio Network
in Mandarin 2200 GMT 8 May 91

[By station reporter (Zhu Yaodong); from the "Morning News" program]

[Text] Shanghai Mayor Huang Ju met with Lee Hsien Loong, deputy prime minister and minister of trade and industry of Singapore, and his party yesterday afternoon [8 May]. Mayor Huang Ju extended a warm welcome to the Singaporean guests on behalf of the Shanghai Municipal

Government. He said: The Outline of Shanghai Municipality's 10-Year Program for Economic and Social Development and Eighth Five-Year Plan, adopted during the fourth session of the ninth municipal people's congress recently, is a grand blueprint for rejuvenating Shanghai and developing Pudong in the 1990's. To realize this grand plan, we will continue to promote reform and the open policy, and to strengthen economic cooperation and technological exchanges with other countries. He sincerely welcomed relevant sectors of Singapore to invest in Shanghai and participate in developing Pudong.

Huang Ju said: The exchanges and economic contacts between Shanghai and Singapore have grown closer since the beginning of this year. I believe that the prospects for Shanghai-Singapore economic cooperation will be even brighter after Deputy Prime Minister Lee Hsien Loong's visit. After reviewing the cooperation between Singapore and Shanghai in the past, Deputy Prime Minister Lee Hsien Loong said: One of the purposes of our visit to Shanghai is to participate in developing Pudong. He indicated that both sides can promote cooperation in two aspects: 1) Singapore can supply Shanghai with some successful experience in foreign trade, industrial production, and using foreign funds; 2) Singapore can discuss investing in the construction of several infrastructure projects in Pudong with relevant departments in Shanghai.

Lee Hsien Loong came to visit China at Vice Premier Tian Jiyun's invitation. He arrived in Shanghai from Beijing by plane yesterday, accompanied by Shen Jueren, China's vice minister of foreign economic relations and trade.

Burmese Drug Control Delegation Leaves for PRC

OW0905125591 Beijing XINHUA in English
0752 GMT 9 May 91

[Text] Yangon [Rangoon], May 9 (XINHUA)—A seven-member Myanmar [Burma] drug abuse control delegation, led by Director-General of the Political Department of the Myanmar Ministry of Foreign Affairs U Ohn Gyaw, left here earlier today for a 10-day visit to China.

During its stay in China, the delegation will visit Beijing, Yunnan Province and Shanghai to discuss bilateral cooperation in combatting narcotic drugs.

In August last year, a Chinese delegation led by Yuan Yongyuan, deputy director general of Criminal Investigation Department of Ministry of Public Security, visited Myanmar and discussed bilateral cooperation in combatting narcotic drugs. Meanwhile, both sides conferred in details on exchange of information, cooperation in investigating drug cases, communication, crop substitution and training personnel.

Moreover, the Director-General U Ohn Gyaw also headed another Myanmar delegation to China for signing a protocol on construction of the Kyukok-Wanting and Namhpa boundary bridges.

Bridge Protocol Signed

OW1205092191 Beijing XINHUA in English
0816 GMT 12 May 91

[Text] Beijing, May 12 (XINHUA)—China and the Union of Myanmar [Burma] signed here Saturday a protocol on the construction of bridges over boundary rivers and other related matters, so as to facilitate the contacts of people and trade in border areas.

The projects, the Wanting-Kyukok and Namhpa (Qingshuihe/Chinshwehaw) Bridges, will be built over the boundary rivers along the Sino-Myanmar border, according to sources at the Chinese Foreign Ministry today.

Chinese Vice-Minister of Foreign Affairs Qi Huaiyuan and his Myanmar counterpart U Ohn Gyaw signed the protocol on behalf of their respective governments.

After the signing ceremony, the two vice foreign ministers held talks to exchange views on a wide range of subjects concerning bilateral relations and international issues of mutual concern, the sources said.

U Ohn Gyaw, who arrived here May 9, also held talks with Chinese officials engaged in anti-drug-trafficking.

Sihanouk To Attend Cambodia Meeting If Invited

OW0705141791 Beijing XINHUA in English
1344 GMT 7 May 91

[Text] Paris, May 7 (XINHUA)—Prince Norodom Sihanouk will travel to Jakarta to attend the upcoming meeting of the Supreme National Council (SNC) of Cambodia if he is invited by the host country, Sihanouk's representative in Paris, Sysoda, said here today.

Sysoda said, Prince Sihanouk is not a member of the SNC, but he is quite willing to attend the meeting, scheduled for June 2-4 in Jakarta, if the four participating parties would reach some agreement on the settlement of the Cambodian issue.

The SNC is made up of six representatives from the three factions of Democratic Cambodia and another six from Phnom Penh. The SNC meeting will also be attended by France and Indonesia, the co-chairmen of the Paris International Conference on Cambodia, and United Nations representatives.

According to Sysoda, Phnom Penh might agree to increase the number of representatives from each side to seven so that Sihanouk can attend the meeting.

Cambodian Resistance Welcomes UN Inspection

OW1105115591 Beijing XINHUA in English
0933 GMT 11 May 91

[Text] Bangkok, May 11 (XINHUA)—The three parties of the Cambodian National Resistance (CNR) will receive a U.N. mission to make an on-the-spot review of the situation in Cambodia.

A statement of CNR received here today says that Vietnam cannot construe the mission as a recognition of its maneuver to try to impose the "military and political status quo" in Cambodia, which is contrary to the spirit and the letter of the framework document of the Perm Five (the five permanent U.N. Security Council members).

The statement says the CNR three parties have already accepted the Perm Five framework document of 28 August 1990 formally endorsed by U.N. Security Council Resolution 668 and the draft agreements in 1990.

As for Vietnam and the Phnom Penh regime, it says they have opposed these documents and have tried hard to sabotage them by resorting to deceitful maneuvers.

It also notes that Hanoi and Phnom Penh have seized the opportunity of a temporary truce to build up their forces and launch offensives against the CNR forces throughout the country.

The CNR three parties are of the view that it is of vital importance and utmost urgency for peace in Cambodia that all the parties in the conflict accept the Perm Five framework document and the draft agreements, so as to allow the U.N. transitional authority in Cambodia to operate efficiently with clear mandate from the U.N. Security Council and a largest number of military and civil components, from many neutral countries as possible.

U.N. Secretary-General Javier Perez de Cuellar, France and Indonesia, co-chairmen of the Paris International Conference on the Cambodian problem, announced jointly on Monday that three military officers would go to Cambodia shortly to review a temporary cease-fire in the country.

It was reported that the mission headed by Maj-Gen Timothy Dibuama, military advisor to the secretary-general, will arrive here this evening.

U.S., Vietnam Discuss Setting Up MIA Office

OW1205014991 Beijing XINHUA in English
0131 GMT 12 May 91

[Text] Hanoi, May 11 (XINHUA)—A group of American experts left here today after discussions with their Vietnamese counterparts on the setting up of a working office to search for missing in action (MIA) during the Vietnam war.

This followed the talks between Vietnamese Foreign Minister Nguyen Co Thach and U.S. president's special envoy John Vessey in April.

The U.S. group, which arrived here Thursday, described the talks as beneficial and constructive. They also discussed with the Vietnamese side a joint program on searching for MIAs.

According to the U.S. statistics, there were 2,383 American soldiers missing in action during the Vietnam war in the Indo-China area, among which about 1,700 were missing in Vietnam.

CPV Congress Slated for Second Quarter

*OW0305185691 Beijing XINHUA in English
1804 GMT 3 May 91*

[Text] Hanoi, May 3 (XINHUA)—The Seventh National Congress of the Vietnam Communist Party [CPV] is scheduled for the end of the second quarter this year. Tran Trong Tan, chairman of the Commission for Propaganda and Training of the Central Committee of the Vietnam Communist Party said here, today.

The congress, Tran Trong Tan said, would adopt a socialist construction program in the transition period, a strategy for economic and social stability and development, and an amendment of party constitution.

Tan said some personnel changes would also be made in the coming assembly but provided no details.

The previous congress was held in December 1986.

Australian Delegation Arrives in Shandong

*SK1405095491 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 13 May 91*

[Text] A six-member delegation of the Australian-Chinese Council, headed by Gough Whitlam, former premier of Australia and director of the Australian-Chinese Council, arrived in Shandong Province on 12 May for a visit.

On the evening of 12 May at Nanjiao Guesthouse, Wang Jiangong, vice governor of the province, and Lu Maozeng, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, cordially met with Whitlam and other Australian guests.

While meeting with the guests, Wang Jiangong extended a warm welcome to Whitlam for his visit to Shandong, expressed admiration for the positive achievements scored by Mr. Whitlam in promoting the friendship undertakings between Australia and China during the past several years, and wished both the friendship and the economic and trade cooperation between the two countries will be constantly strengthened and developed.

Near East & South Asia

Sino-Indian Border Talks Held in Beijing

Meeting With Xu Dunxin

*OW1305162291 Beijing XINHUA in English
1535 GMT 13 May 91*

[Text] Beijing, May 13 (XINHUA)—The third round of talks of the Sino-Indian Joint Working Group on the

Border Issue, and consultations between the vice-ministers of foreign affairs from the two countries were held today in Beijing.

The two delegations were headed respectively by Chinese Vice-Minister of Foreign Affairs Xu Dunxin, and Indian Foreign Secretary Muchkund Dubey.

During the talks the two sides frankly exchanged views, held in-depth discussions and explained their respective positions on ways to resolve the Sino-Indian border issue, according to sources from the Chinese Foreign Ministry.

The sources stressed that the talks further promoted mutual understanding and are beneficial.

The Chinese vice-minister of foreign affairs reiterated the consistent stance of the Chinese Government that the border issue should be resolved in line with the principle of mutual understanding and accommodation.

Dubey explained the Indian approach to resolve the border issue. The two sides exchanged views on maintaining peace and tranquility along the border lines under actual control.

Concerning bilateral relations, both sides expressed satisfaction over the improvement and development of Sino-Indian relations in recent years.

They also expressed their willingness to continue efforts to strengthen co-operation between the two countries in the areas of economic relations and trade, science and technology, culture, and personnel exchanges, so as to ensure continued and steady development of bilateral relations.

In addition, the two sides exchanged views on international and regional issues of mutual concern, including the Gulf issue, the Cambodian and Afghanistan issues, and the situation in South Asia.

Both sides agreed that the next round of talks for the joint working group concerning the border issue, and consultations between the vice ministers of foreign affairs will be held in New Delhi next year, at a time to be scheduled through diplomatic channel later.

Li Peng Receives Dubey

*OW1305145391 Beijing XINHUA in English
1431 GMT 13 May 91*

[Text] Beijing, May 13 (XINHUA)—Premier Li Peng said here today that the Chinese Government attaches great importance to and will make efforts to develop the Sino-Indian relations.

The premier made the remark at a meeting with Indian Foreign Secretary Muchkund Dubey, who is here attending the third round of talks of the Sino-Indian joint working group on border issue and vice foreign ministerial consultations.

Sources from the Chinese Foreign Ministry report that Li said China and India are both developing countries, have the world's largest and second largest populations, and have had many of the same historical experiences.

The Chinese premier said that both China and India are now involved in the arduous task of developing their respective economies and improving the living standards of their people.

China and India jointly advocated the five principles of peaceful co-existence in the 1950s, said Li adding that Rajiv Gandhi's visit to China in 1988 led to a new era in relations between the two countries.

The premier said that the strengthening of good-neighborly and friendly relations between the two countries will not only benefit the peoples of the two countries, but will also exert a positive influence on peace in Asia and in the world as well.

On the Sino-Indian border issue, Li said, the boundary questions are a remnant of history, and expressed his belief that solutions to the issues can be found in the long run so long as both sides put forth unswerving efforts to solve the issue in line with the spirit of sincerity, mutual understanding and accommodation.

The Chinese Government maintains a positive attitude in seeking solutions to the issue, Li said.

During the meeting, Dubey said that Indian leaders appreciate the remarks concerning improvements in Sino-Indian relations contained in the report Premier Li delivered to the fourth session of the Seventh Chinese National People's Congress.

Dubey said that India maintains a policy of continuity towards the development of the Sino-Indian relations, and that regardless of which party is in power the Indian Government will not alter its policy to develop ties with China.

The Indian foreign secretary said that the Indian Government is optimistic about the future of bilateral ties, and that the Indian Government and people are looking forward to an early visit by the Chinese premier.

Dubey noted that India is willing to develop relations with China based on the five principles of peaceful co-existence, and, in particular, on non-interference in each other's internal affairs.

Therefore, he said, India will not support the political activities of the Dalai Lama in the Indian territory in his efforts to split China.

Li thanked Dubey for conveying the Indian Government's invitation and said that he is willing to make an early visit to India at a time convenient to both sides.

Delhi Radio Report

BK1405041091 Delhi All India Radio Network in English 0240 GMT 14 May 91

[Text] The Chinese prime minister, Mr. Li Peng, has said that China is keen to settle the border issue with India. Mr. Li made this comment during his talks with the Indian foreign secretary, Mr. Muchkund Dubey, who led the Indian delegation to the third round of talks of the joint working group on the border issue in Beijing. Mr. Dubey told the Chinese prime minister that India is determined to adopt a positive approach for resolving the border problem. The joint working group was set up in December 1988. Mr. Dubey informed Mr. Li that there is continuity and consensus in India on establishing friendly relations with China. Mr. Li appreciated the initiatives taken by India to improve relations with Pakistan. Mr. Li said that India and China, as the largest developing countries in the world, must cooperate in the changed international situation. He said that he is looking forward to visiting India before the end of this year.

Qian Qichen Meets Dubey

OW1405101791 Beijing XINHUA in English 0709 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen met with Indian Foreign Secretary Muchkund Dubey and his party at the Diaoyutai State Guesthouse here today.

The Indian guests are here attending the third round of talks of the Sino-Indian joint working group on boundary issue and vice-foreign ministerial consultations.

At the meeting, Qian and Dubey had a friendly conversation on the development of bilateral relations and on international issues of common concern.

Dubey and his party are scheduled to leave here this evening to tour Xian and Urumqi before leaving for home via Guangzhou.

Delhi Radio Cites Qian

BK1405093391 Delhi All India Radio Network in English 0830 GMT 14 May 91

[Text] The Chinese foreign minister, Mr. Qian Qichen, has described the third round meeting of the Sino-Indian joint working group on the boundary issue held yesterday as a good move. During a courtesy call by the foreign secretary, Mr. Muchkund Dubey, this morning, Mr. Qian Qichen said that China welcomes the increase in high-level contacts between the two countries.

Mr. Dubey also met Premier Li Peng, and Vice Foreign Minister Mr. Xu Dunxin yesterday.

PRC Engineers Among 22 Kidnapped in Pakistan

*OW1205032291 Beijing XINHUA in English
0301 GMT 12 May 91*

[Text] Islamabad, May 12 (XINHUA)—As many as 22 persons were kidnapped by dacoits [robbers] in different parts of Pakistan's southern province of Sindh in past 24 hours, local press reported today.

The dacoits committed kidnappings in four districts of the province, with seven people kidnapped from Larkana, five from Dadu, two from Nawabshah and eight from Sukkur, the reports said.

Among the kidnapped are three Chinese engineers working on a project of the Water and Power Development Authority of Pakistan in Dadu District.

The latest incident occurred only 10 days after the end of the kidnapping of Japanese students who were safely released by dacoits on April 10 after 45-day captivity.

The law and order situation in Sindh is deteriorating with kidnapping, looting and other criminal misdeeds more frequently reported.

Police and other law enforcing agencies are in pursuit of the abductors in a bid to recover the kidnappees, the reports said.

Ambassador to Bangladesh Presents Relief Goods

*OW1005094291 Beijing XINHUA in English
0821 GMT 10 May 91*

[Text] Dhaka, May 10 (XINHUA)—A Chinese special aircraft arrived here today, carrying the first consignment of 25 tons of relief goods for the cyclone victims of Bangladesh.

Chinese Ambassador to Bangladesh Chen Songlu, on behalf of the Chinese Government, handed over the relief goods to Bangladesh State Minister of Relief Luftur Rahman Khan at a ceremony held at Zia International Airport in Dhaka.

The Chinese relief goods include food, tents, medicine and other daily necessities.

The Chinese Government has decided to provide Bangladesh with emergency relief materials worth two million U.S. dollars for the cyclone-affected people.

In addition, the Chinese Red Cross Society has pledged to donate to the Bangladesh Red Crescent Society emergency relief goods worth 40,000 U.S. dollars.

The strongest ever cyclonic storm accompanied by a surge which hit Bangladesh's coastal areas on April 29 left 125,720 people killed and over 10 million homeless.

Helicopters To Help

*OW1305080791 Beijing XINHUA in English
0658 GMT 13 May 91*

[Text] Beijing, May 13 (XINHUA)—Two Chinese helicopters left here for Bangladesh to help the rescue and relief work in the storm-afflicted areas there.

The helicopters were despatched by China upon the request of the Bangladeshi Government.

Last week, the Chinese Government decided to provide two million U.S. dollars worth of goods to that tornado-stricken country.

Back in 1988, China sent three helicopters to help Bangladesh in rescuing flood victims.

Friendship Delegation Ends Visit to Egypt

*OW1205000391 Beijing XINHUA in English
1933 GMT 11 May 91*

[By Zhang Lanhua]

[Text] Cairo, May 11 (XINHUA)—Egyptian Speaker of the People's Assembly Ahmad Fathi Surur today stressed the importance of China's role in international affairs, particularly in the Middle East peace process.

Speaking with a visiting delegation of Chinese People's Association for Friendship With Foreign Countries led by Deputy Chairman Liu Gengyen, Surur said that Egypt and other Arab countries appreciated China's policy toward the Middle East problem.

China has a special role to play in the international affairs which is different from that of the United States and the Soviet Union, he said, hoping that China will not be excluded from the purported Middle East peace process.

On his part, Liu Gengyen reiterated China's position on the proposed Middle East peace conference, saying that China calls for the convocation of an international peace conference with the participation of five permanent members of the U.N. Security Council and all parties concerned.

Early today, the Chinese delegation reached an agreement with the Egyptian Committee for Solidarity with Afro-Asian Peoples on starting the first Sino-Arab dialogue in Beijing, China, next March or April and on expanding cultural and artistic exchange between the two countries.

The proposed dialogue is designed to enable Arab countries to know better how China builds socialism and in return to familiarize China with Arab's conditions.

The Chinese delegation ended a week-long visit to Egypt today and is scheduled to leave Cairo for Khartoum, Sudan, this evening.

Sub-Saharan Africa

Vice Foreign Minister Visits Mauritania

OW1105053491 Beijing XINHUA Domestic Service
in Chinese 0903 GMT 9 May 91

[Text] Nouakchott, 8 May (XINHUA)—Colonel Maaouiya Ould Sid'Ahmed Taya, chairman of the Military Committee for National Salvation and head of state of Mauritania, received Chinese Vice Foreign Minister Yang Fuchang on 8 May.

Yang Fuchang conveyed to President Taya cordial greetings and good wishes from President Yang Shangkun. President Taya thanked him. He said: The relationship between Mauritania and China is very friendly.

President Taya praised China for providing a tremendous amount of aid to Mauritania in the area of economic construction and medical and public health services. He said: Cooperation between Mauritania and China has taken root in the hearts of Mauritians. President Taya also praised China for adopting a prudent and just stance on the Middle East issue and showing a high sense of responsibility toward the Gulf Crisis.

Vice Foreign Minister Yang Fuchang also held talks with Didi, the Mauritanian minister of foreign affairs and cooperation. The two sides exchanged viewpoints on bilateral relations, establishing a new international order, and major international issues. The two sides felt that a new international order should be built on the basis of the five principles of peaceful coexistence. Foreign Minister Didi said: If this principle is not accepted by everyone, world peace and stability will not exist. As countries have special situations of their own, they should respect one another and not interfere in the others' internal affairs.

Yang Fuchang arrived in Nouakchott on 7 May for a three-day working visit in Mauritania.

Gambian President Ends Visit, Departs

OW1405100091 Beijing XINHUA in English
0707 GMT 14 May 91

[Text] Guangzhou, May 14 (XINHUA)—Dawda Kairaba Jawara, president of the Republic of The Gambia, ended his eight-day visit to China and left the city of Guangzhou for home today.

The Gambian president said here before his departure that Gambia and China have close relations of friendship and cooperation, and the relations will be further consolidated and strengthened in the future.

While in China, the Gambian president and his party visited the capital of Beijing, the cities of Guilin and Guangzhou, as well as the special economic zone of Shenzhen.

Guangdong Steel Mill To Process S. African Ore

HK1005015991 Hong Kong SOUTH CHINA
MORNING POST in English 10 May 91 p 13

[By Willy Wo-lap Lam]

[Text] China is to build its biggest steel mill in Guangdong province, which will import iron ore from South Africa, sources said yesterday.

And three fast-growing cities in China's most prosperous province, Zhuhai, Huizhou, and Zhanjiang, are fighting among themselves to be the site of the facility.

One of the major projects of the Eighth Five Year Plan (1991-95), the steel mill will be paid for by central coffers. The mill and peripheral facilities could offer employment to some 300,000 people.

Because China has been a stern critic of the apartheid policies of Pretoria, with which Beijing has no diplomatic relations, the South African connection of the steel plant has been played down.

"Outwardly, the Chinese will say they are only using iron ore and other minerals from Australia for this mill," a Guangdong source said.

It is understood that partly through suppliers in Hong Kong, China has in recent years been importing a sizeable quantity of minerals and other primary products from South Africa.

Chinese sources say the three-way competition between Zhanjiang, Zhuhai and Huizhou dramatises the rivalries in provincial politics and the dynamics of relations between Beijing and localities.

Out of consideration for "regional balance", the outgoing Guangdong Governor, Mr Ye Xuanping, favours Zhanjiang.

An open city in the western tip of the province, Zhanjiang has lagged behind other districts, specially the Zhujiang River Delta, in attracting domestic and foreign investment.

Huizhou, a few hours' drive from the Special Economic Zone (SEZ) of Shenzhen, is the hub of the budding Daya Bay Economic Zone, which incorporates such mega projects as the nuclear generator, the Panda vehicle plant, and a petrochemical complex.

In addition, Huizhou, which has received the personal backing of senior leaders including Mr Deng Xiaoping and Mr Yang Shangkun, is building the Ao Tou deep water port, which will be ideal for vessels carrying iron ore and other raw materials.

Zhuhai, just to the north of Macao, is one of China's first SEZs.

Cadres in Zhuhai are counting upon the support of Vice-President Mr Wang Zhen. A frequent visitor to the enclave, Mr Wang has been a long-term promoter of Zhuhai's fast-track development.

Guangdong sources say partly because of its lack of powerful patrons, the chances of Zhanjiang seem to be rather low.

Beginning this week, a team of engineers and technical experts from the State Council has been conducting feasibility studies in Zhuhai and Huizhou.

The mammoth Baoshan steel mill in Shanghai, which was built in the early 1980s, relied mainly on Japanese machinery and related technology.

Industry sources say Moscow is now willing to sell technology to China at a low price.

Political & Social

Li Peng Visits Factory Staffed by Disabled

OW1305132291 Beijing XINHUA in English
1152 GMT 13 May 91

[Text] Beijing, May 13 (XINHUA)— Chinese Premier Li Peng expressed the government's concern for the country's disabled here today when visiting a Beijing factory largely staffed by disabled persons.

The factory employs 447 disabled persons, who accounts for over 40 percent of the factory's total workforce.

While visiting the Beijing Rubber and Hardware Factory Li said that China will pass a milestone on the 15th this month when the law protecting the legal rights of the disabled goes into effect.

The Chinese premier called on governments and party organizations at all levels to support the cause of the disabled, and to assist them on their road to self-independence and in their pursuit of achieving happiness in Chinese society.

Li asked a blind worker about his income and housing, as well as that of other members of his family. The premier also used his newly-acquired knowledge of sign language to wish success to deaf workers at the plant.

Li also wrote an inscription asking the factory to "run the welfare enterprises well in order to benefit the society and the disabled." The premier was accompanied on the visit by State Councillor Chen Xitong, who is also the mayor of Beijing, and Secretary-General of the State Council Luo Gan.

Chen Junsheng Stresses Protecting Disabled

OW1105182091 Beijing XINHUA in English
1339 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—A senior official said here today that the State Council, China's supreme governing body, will soon issue a special circular, urging the localities throughout the country to do well the job of implementing the law on safeguarding the legal rights of the disabled people.

In a speech aired on both radio and television this evening, State Councillor Chen Junsheng noted that the law on safeguarding the legal rights of the disabled people of the People's Republic of China will go into effect on May 15, this year, stressing that this is the country's cardinal measure for protecting the legal rights of its handicapped citizens, an important step in strengthening the socialist legal system, and a great event in the country's social life. The implementation of the law also reflects social progress and the country's advanced civilization, he added.

Chen expressed his personal, as well as the State Council's, sincere concern for the country's 50 million handicapped people and their families, and called on all localities to do a good job in publicizing the law.

Localities are urged to improve existing organization and to establish more organizations designed especially to assist the handicapped. Chen said that the organizations should help the handicapped regain their health, offer them more educational, cultural and sports opportunities, and jobs, as well as providing assistance which creates an equal environment.

Chen also called on local governments to implement the law in a comprehensive manner and to list the cause of the handicapped in the national economic and social development plans. The effort should be placed high on the agenda so as to strengthen the leadership and enable the cause of the handicapped to develop in co-ordination with national economic and social development.

Chen said that the State Council encourages the entire society to advance the Chinese virtue of mutual aid by assisting the weak and handicapped, and in the spirit of socialist humanitarianism to understand, respect, and show concern for and help the handicapped.

The state councillor expressed his hope that the broad mass of handicapped people will maintain their optimistic enterprising spirit and self-respect, as well as their self-confidence. In addition, he said, the handicapped should remain independent and constantly strive to become stronger in a bid to make a contribution to the socialist development.

Over the past two years China has made it possible for 430,000 cataract sufferers to regain their sight, performed orthopedic surgery on over 140,000 children suffering from sequela or infantile paralysis, and has trained over 10,000 deaf children to speak.

The law on safeguarding the legal rights of the disabled people, the first of its kind in China, was adopted at the 17th Meeting of the Standing Committee of the 7th National People's Congress on December 28, 1990. It has nine chapters and 54 articles stipulating the legal responsibilities of the government and society for the handicapped people's rehabilitation, education, employment, cultural life, welfare and environment.

Tian Jiyun Addresses Flood-Control Meeting

OW1405105891 Beijing XINHUA Domestic Service
in Chinese 0925 GMT 13 May 91

[By reporter Zhao Peng (6392 7720)]

[Text] Beijing, 13 May (XINHUA)—Tian Jiyun, vice premier of the State Council and head of the State Flood-Control Headquarters, today presided over the first meeting of the headquarters. He urged all localities

to remain alert always, to earnestly implement flood- and drought-control measures, and be prepared against all types of drought and waterlogging.

At the meeting, Tian Jiyun said: Flood control is vital to our overall interests. We should stress the importance of flood- and drought-control and should attend to work in this field year in and year out, without lowering our guard or leaving things to chance. Success in flood-control is vital to the safety of people's lives and property, and to sustained and steady social and economic development. All localities should attend to this work without delay. To ensure smooth progress in the work of controlling floods and droughts, he urged all localities to continue implementing the system of responsibility of administrative chiefs at all levels, the system of technical responsibility, and the system of personal responsibility. All departments concerned should earnestly fulfill their obligations, discharge their own responsibilities, continue to increase investment, step up the construction of basic irrigation facilities, and increase their ability to resist floods and droughts. In addition, it is necessary to upgrade and transform communications and forecast facilities for flood- and drought-control and for water information.

In view of the existing problems in flood-control, Tian Jiyun said: In flood control, we must concentrate on the major aspects, and ensure safety against floods from the major rivers, as well as large and medium-sized reservoirs, and against inundation of large and medium-sized cities. All localities should pay close attention to dredging rivers. Obstacles in the path of floods should be removed within a set time limit according to the principle that "obstacles should be removed by whoever erects them." We should eliminate the problems and hazards of large and medium-sized reservoirs as soon as possible so as to prevent possible trouble. All dangerous work and sections in the major river basins should be investigated fully before the flood season, and precautionary measures taken accordingly. Facilities for ensuring safety in the flood zones should be constructed, and life-saving measures taken to protect the people's lives and property.

Tian Jiyun emphasized the ruthlessness of floods. In flood-control, all localities should avoid formalistic and superficial approaches, while taking concrete measures to ensure that adequate manpower, funds, and material supplies are readily available. In addition, flood- and drought-control should go hand-in-hand.

At the meeting, Yang Zhenhuai, deputy head of the State Flood-Control Headquarters and minister of water resources, reported on the preparations against floods and the problems existing this year. Members of the State Flood-Control Headquarters and responsible persons of the departments concerned attended the meeting.

Leaders Meet Peasant Exercisers

OW1305152691 Beijing XINHUA Domestic Service
in Chinese 1328 GMT 11 May 91

[Text] Beijing, 11 May (XINHUA)—Leading comrades, including Vice Premier Tian Jiyun, State Councilor Chen Junsheng, and Wang Renzhong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, met with all delegates attending a meeting on commending advanced townships (towns) in the "nationwide peasants physical exercise campaign" at Zhongnanhai today.

After the delegates met with the leading comrades, they were awarded prizes by He Zhenliang, vice minister of the State Physical Culture and Sports Commission, and by Xiao Peng, president of the Peasants Sports Association.

The meeting on commending advanced townships (towns) in the "nationwide peasants physical exercise campaign" opened in Changping County of Beijing on 9 May. Representatives of 122 advanced townships (towns) from 30 provinces, autonomous regions and municipalities exchanged experience at the meeting. They are determined to promote peasants physical exercise in an even more widespread way, and launch a campaign of the largest scale for the peasants to participate in sports, improve their physique, promote rural economic development, and step up the building of spiritual civilization in rural areas.

Bronze Statue of Ye Jianying Unveiled

OW1105200891 Beijing XINHUA in English
1501 GMT 11 May 91

[Text] Guangzhou, May 11 (XINHUA)—A ceremony was held today to unveil the statue of late Marshal Ye Jianying in his hometown of Yanyang town in Meixian county in south China's Guangdong Province.

The two-meter-high statue with a 0.9-meter-high foundation is erected in front of the memorial hall for the late marshal.

Present at the ceremony were 450 people including local army officers and local government officials as well as noted public figures from Hong Kong.

Vice Minister Views Institutional Reform

HK1305015391 Hong Kong LIAOWANG OVERSEAS
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[Report by staff correspondent: "China Active in Pushing Local Institutional Reform Forward: Interviewing Vice Minister of Personnel Zhang Zhijian"]

[Text] The Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress proposed that in the next 10 years China should actively and properly carry out political structural reform in support of the economic structural reform that will develop further in depth. How should local institutional reform, as an important part of the political structural

reform, be carried out during the Eighth Five-Year Plan? How should this institutional reform be gradually expanded into a reform of the government administrative structure? This is a major issue that all social sectors are concerned about. With these questions in mind, this reporter interviewed Zhang Zhijian, vice minister of personnel and director of the General Office of the State Committee for Establishment of Governmental Organizations.

The Conditions for Local Institutional Reform Are Becoming Ripe

Zhang Zhijian said: The institutional reform that was started in the State Council in 1988 was completed in the first half of last year. Out of the need of economic improvement and rectification, the CPC central authorities and the State Council decided to put off the local institutional reform. This was a completely correct decision. Nowadays the internal conditions for local institutional reform have changed considerably. First, remarkable success has been achieved in the economic improvement and rectification operation, which has created a fine environment for local institutional reform. Second, the focal point of economic construction in the next 10 years lies in invigorating enterprises, readjusting structure, and improving economic returns. As an objective fact we need to intensify the government's macroscopic regulation and control function through institutional reform. Third, the expansion and overstaffing of local government organs at all levels have added to the state's financial burden and encouraged bureaucratism, and people eagerly hope that these deficiencies will be eliminated. Fourth, after the institutional reform in the State Council, it is necessary to introduce a similar reform among local government organs so that the relations between the higher and lower levels can be smoothed out. Fifth, the pilot projects carried out in nine counties and cities in the past two years have offered some experience in institutional reform. Therefore, the conditions for local institutional reform are about ripe now.

The Main Objective of the Local Institutional Reform To Be Launched This Year Is To Further and Expand the Pilot Projects

Local institutional reform, involving provincial, prefectural, city, county, and township levels, will be very complicated. Will this reform be launched on a vast scale this year? Zhang Zhijian said: The main objective of the local institutional reform this year is to further the ongoing pilot projects for institutional reform in the four selected cities that are separately listed in the state plan, namely, Harbin, Qingdao, Shenzhen, and Wuhan, and the nine selected counties, including Huarong County of Hunan Province and Zhuozhi County of Inner Mongolia. Meanwhile, the institutional reform experiment will be expanded to some selected localities.

Since 1989 when a decision was made on the introduction of pilot projects for local institutional reform, progress has been made to varying extent. Reform has already been carried out in Harbin City, Huarong

County, and Zhuozhi County, and has been quite successful. Based on thorough investigations, plans for pilot reform projects have been drawn up and are about to be initiated in Hebei, Qingdao, Yuanping, and Dingxi. Shenzhen and Wuhan are now conducting intensive surveys and adjusting their pace in formulating their plans. This year, the ongoing local institutional reform projects will be further consolidated and improved and will be gradually upgraded as a reform of the administrative structure. Those localities which have already drawn up their reform programs must go into action as soon as possible, while the remaining few localities which still have not formulated a reform program should concentrate their resources to conduct investigations, draw up their own plans, and submit them to the higher authorities for approval as soon as possible.

At the same time, the institutional reform pilot projects must be further expanded. A few additional provinces, cities, and counties will be selected to launch pilot projects this year; or pilot projects and other supporting reforms will be launched on full scale within a selected region with a view to speeding up the process of local institutional reform. Now it has been decided that enlarged pilot projects will be carried out in Hubei Province, Shaanxi Province, Inner Mongolia Autonomous Region, and in more than 20 cities and counties of more than 10 provinces and autonomous regions.

The Three Major Tasks of the Next Stage of Local Institutional Reform

From what aspects should we start the next stage of full-scale local institutional reform? Zhang Zhijian emphasized that the key to the local institutional reform lies in two important tasks, namely, to conscientiously effect the change in the functions of government organs and to smooth out relations. It is also necessary to streamline government organs and to reduce redundant staff members.

Changing the functions of government organs mainly means to change the government's administrative function over the economic community—a shift from direct to indirect administration, from microscopic to macroscopic control, and from mainly depending on administrative means to depending on complex administration which integrates economic, administrative, and legal means.

Therefore, first of all we must uphold the principle of separation between the functions of the government and those of the enterprise, and appropriate separation between management and ownership. By introducing the contracted management responsibility system, the leasing system, the joint-stock system, and so on, we should gradually turn the vast majority of state-owned enterprises into real socialist commodity producers and dealers which operate on their own and assume full responsibility for profits and deficits.

Second, we must readjust the functional structure in accordance with the guideline of integrating the planned economy with market regulation and developing a new

structure of the socialist planned commodity economy. It is necessary to intensify the macroscopic regulation and control function; strengthen economic, technical, disciplinary, and legal supervision; improve administration over trades, state assets, resources and environment, and society; speed up the development of the market system and market organization, and take the initiative in properly managing the market. It is necessary to uphold the principle of separation between government organs and service units and get rid of the old practice of excessive and overly rigid control over service units.

Third, local governments' function in social administration must be changed and the scope of self-administration of society should be gradually expanded. Affairs that should be attended to by society and the masses and that are of service nature should be handed over by the government to some intermediary public agencies whenever possible, while the government should guide and regulate the operation of intermediary public agencies by means of policies, regulations, and systems. In general, the government should not interfere in the everyday operation nor take over the financial spending of these intermediary public agencies.

With regard to smoothing out relations, the key point is to define rationally the jurisdiction of governments at different levels and to improve the administrative structure. It is necessary to carry out appropriate readjustment and clearly define the scope of the executive, financial, and economic regulation power to be exercised by the central and local authorities. It is necessary really to increase the central government's ability, effectiveness, and authority regarding macroeconomic regulation and control, and appropriately expand the local government's power to use economic levers.

To meet the requirements for establishing and perfecting the two-tier economic regulating structure, governments at the provincial level must properly draw up their own local economic and social development plans, appropriately exercise macroscopic regulation and control, and refrain from directly attending to operational affairs while submitting themselves to the central government's leadership. City governments must intensify supervision over economic operation and their function in organizing and administering the market, do a good job in urban planning and maintaining social order, build more public facilities, promote scientific research, education, culture, public health, and other undertakings, thus creating a fine environment for development of enterprises. Prefectural administrative commissioners' offices should vigorously streamline their organizational structure so as to serve as real government agencies. It is necessary to define clearly the different duties of party committees and governments at the county level and strengthen the party's political, organizational, and ideological leadership. At the same time, it is necessary to intensify the government's administrative function and command system. It is also necessary to draw rational distinctions between different party and government

operational organizations in terms of duties and jurisdiction, so that they cannot shift their responsibilities onto each other but take charge of their own affairs and assume different responsibilities.

Vigorously streamlining organizations and reducing redundant personnel is an important link in the solution to streamlining overexpanded party and government organizations. At present, each province on China's mainland has on the average more than 70 provincial-level party and government organizations, each prefecture has more than 50 organizations, each city has as many as 65 organizations, and each county has 45 organizations. Some provinces and municipalities have as many as 100 organizations each. The phenomenon of overexpanded structure is still more serious within some party and government operational organizations. The number of sections and offices set up under some provincial departments and bureaus has almost doubled since 1983 when the institutional reform was launched. Most organizations are overstaffed. By the end of 1989 local organizations at all levels throughout the country had employed more than 500,000 extra staff. As more and more new organizations have been set up, the number of leading cadres has increased accordingly. It has become a very conspicuous phenomenon that some organizations have "more leading officers than ordinary staff members." In some provinces, cadres at the departmental and section level make up about 40 percent of the staff of organs directly under the provincial authorities. Therefore, streamlining organizations and reducing staff size is an important task of the reform.

The general idea for streamlining local party and government organizations is to get rid of duplicate operational organs, merge organs that have similar functions, change some government organs into enterprises or service units where it is suitable, and exclude some specific executive organizations from the list of government functional organs. As a guidance for the local organs streamlining operation, a guideline for organizational structure and staff size in different localities at different levels will be worked out based on a comprehensive study and analysis of population conditions, geographical environment, economic structure, social development, and other factors. The first measure to be taken in the organ streamlining operation is to lay off extra staff members. A feasible "detumescence" plan must be drawn up based on thorough investigations and study, and then be implemented step by step so that the problem of overstaffed organizations will be solved in a few years. We must pay special attention in the streamlining process to taking care of laid-off personnel, so as to reduce conflicts that may arise from reform and to ensure the smooth progress of the reform.

Carrying Out the Institutional Reform in Depth and Expanding It Into a Reform of the Government Administrative Structure

The Seventh Plenary Session of the 13th CPC Central Committee set the goal of further reforming the government administrative structure and building up a highly

efficient government administrative system with Chinese characteristics. This is a new requirement for the institutional reform. How are we going to achieve this? Zhang Zhijian noted: In order to fulfill this goal, while doing a job in changing organizations' functions, smoothing out relations, streamlining organs, and reforming staff structure, we must try to solve the following problems step by step:

—It is necessary to readjust the organizational structure and establish a scientific government administrative system. First, we must establish a consultative service structure and improve it so that it will serve as an indispensable component part of the decisionmaking system which will pool the wisdom of all circles and provide chief officers with choices of plans and the scientific bases that are needed for decisionmaking. This will promote the development of a scientific and democratic decisionmaking process. Second, we must streamline the executive system, enhance the authority of the executive command system, and ensure strict enforcement of decisions, orders, and prohibitions. Third, we must try to smooth out the relations between different supervisory organs, improve the executive and supervisory system, intensify economic, technical, disciplinary, and legal supervision, and resolutely and unremittably fight all corrupt practices so as to promote honest and efficient government and maintain closer ties between the party and government organs on the one hand and the masses on the other.

—It is necessary to step up the development of systems and to improve the executive operational mechanism. Governments at all levels must establish and improve regulations and systems that govern all social sectors and their own operation, effect a switch from ruling by man to ruling by law, and prevent any arbitrary executive behavior. It is necessary to define clearly the duties and the scope of power of every officer and establish and improve the executive responsibility system for all posts from chief executives to general staff members. It is necessary to perfect operational procedures, reduce intermediate links, simplify formalities, and improve administrative efficiency.

—It is necessary to continue to reform the personnel system for cadres and introduce step by step a civil service system that suits China's national conditions. Since every system must be implemented by people, the reform of executive and administrative structure must after all be dovetailed with the reform of the personnel system for cadres. We must administer the government staff by law through the introduction of a civil service system; qualified government staff members should be selected and trained according to the criteria of honesty, ability, industry, and performance; and the quality of government staff members must be guaranteed and constantly improved so that they will meet the requirements for the reform of the executive and administrative structure.

University Repudiates Bourgeois Liberalization

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[Article by Li Mengchao (2621 1125 6389): "Cleanse University Platforms, Strengthen the Ideological Front: Chinese People's University Thoroughly Wipes Out, Repudiates Bourgeois Liberal Viewpoints in Fields of Learning"]

[Text] The Chinese People's University thoroughly screened and repudiated bourgeois liberal viewpoints in the fields of philosophy and social sciences, thus effectively cleansing the university platforms, consolidating the Marxist ideological and theoretical front, and creating a wholesome environment for bringing up socialist builders and successors.

In the years when bourgeois liberalization spread unchecked, the Chinese People's University made unremitting efforts to guard the Marxist theoretical front. In the course of implementing the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, the university screened and repudiated the trend of bourgeois liberalization in all fields of learning and regarded this as a major task in adhering to the socialist orientation for running the school.

Under unified leadership of the university, the relevant teaching research sections focused their attention on reading articles published in books and periodicals in recent years; made a general analysis and estimate of the influence of bourgeois liberalization in the specific fields of learning; and screened the evolution, scope of involvement, and typical theoretical viewpoints of the influence to distinguish right from wrong and strike at the root of the evil. During the course of screening, the Marxism-Leninism Development Historical Research Office repudiated the erroneous viewpoints which held that "Marxism is outdated" and which stuck to "peural truth," firmly enhanced faith in Marxism, realized the guiding position of Marxism, further expounded the great significance of upholding Marxist propaganda and education, and clarified the ideological confusion in this field caused by the influence of bourgeois liberalization. Focused on "the class nature of legality," "the system of people's congress and "division of power," "communist party leadership and "multiparty system," "human rights," and five other topics, the State and Law Teaching Research Section and the Legal Theory Teaching Research Section of the Law Faculty revealed the sharp confrontation between Marxism and the viewpoints of bourgeois liberalization in the field of law study, offering experience for upholding the four cardinal principles. Now the screening achievements of 14 teaching research sections of the whole university are made public to lecturers and students.

According to arrangements made by the university, all faculties and teaching research sections embodied the screening achievements in classroom teaching, branch building, teaching material, and field study. They

revised the training schemes and teaching outline, compiled a new teaching outline, and drafted branch building and scientific research plan for the Eighth Five-Year Plan. The Teaching Research Section of the Economic Faculty and Political Economic Faculty is responsible for the teaching of political economics, China's socialist construction, and comparative economics of thousands of students of the university. As a result, political orientation of the teaching contents has a direct bearing on ideological tendencies of students of the whole university. A total of 29 lecturers of this teaching research section took the lead in screening and repudiating on campus the viewpoints of bourgeois liberalization in the fields of learning. They summarized 13 topics which included "the nature of imperialism and its basic economic characteristics" and "macrocontrol and regulation and economic improvement and rectification, determined what were to upheld, opposed, criticized, given prominence to, and stressed in teaching every chapter, and made the party spirit and scientific nature of the curriculum more distinctive. Through screening and repudiation, the Ethics Teaching Research Section of the Philosophy Faculty clarified the key problem of theoretical building of branches of learning which was reversed by the tendency of bourgeois liberalization, issued convincing articles including "Uphold the Guidance of Collective Value," and pushed forward the building of fields of learning. Based on screening results of the fields of learning, the teaching research section offered special topics for undergraduates and symposiums for postgraduates. While screening the major problems of its own, the International Politics Faculty especially pointed out the problems of general character in the faculty's teaching and scientific research, which was influenced by the tendency of bourgeois liberalization: The drop in the proportion of Marxist theory courses; less importance given to Marxist theory on class struggle; relaxation in the stress on party leadership; casual criticism of opportunism in all previous international communist movements; and further introduction of Western subjectivism. They adopted remedy measures and included adherence to the four cardinal principles and opposition of bourgeois liberalization into the target and ways of training, curriculum, compilation of teaching materials, and teaching contents.

Now there is a new teaching outline for some 30 courses in the university, which is applied in the teaching of China's socialist construction, CPC history, introduction to Mao Zedong Thought, scientific socialism, and five other courses. Since October 1989, lecturers of the university issued more than 50 articles in the country's main newspapers and periodicals, repudiating bourgeois liberalization. By presenting facts and reasoning things out, these articles were very convincing.

In the screening work, the Chinese People's University proceeded from practice and strictly implemented the party's policies. They criticized with a clear-cut position the political tendency opposing party leadership and the socialist system and advocated taking the capitalist road

as well as its theoretical foundation in philosophy and social sciences; distinguished right from wrong the theoretical viewpoints confused by this tendency or the tendentious theoretical problems; conducted study and discussions of the theoretical problems whose nature is hard to distinguish for the time being, but these theoretical problems were not to be mentioned in lecture rooms; and carried out discussions on normal academic issues in light of the "double hundred" policy.

People's Democratic Dictatorship Explained

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3 May 91 p 5

[Article by Feng Guoquan (1144 0948 0356): "People's Democratic Dictatorship Is People's 'Protective Talisman'"]

[Text] The 13th Central Committee's Seventh Plenary Session regarded "adherence to the people's democratic dictatorship on the basis of the workers-peasants alliance under the working class leadership" as one of the most important contents in the party's basic theory and practice in building socialism with Chinese characteristics since the 11th Central Committee's Third Plenary Session, and has explicitly written it into the "CPC Central Committee Proposal on Formulating the 10-Year Program for the National Economy and Social Development and the 'Eighth Five-Year' Plan." This is of great importance to our realizing the second-step strategic goal for socialist construction.

In China, the people's democratic dictatorship precisely means to practice the most extensive democracy among the broad working people, while exercising the severest dictatorship on a handful of hostile elements who have sabotaged and attempted to topple the socialist system. Here, democracy and dictatorship are an integrated whole. Only by practicing democracy among the working people will it be possible to effectively exercise dictatorship on the enemy; likewise, only by exercising dictatorship on the enemy will it be possible to guarantee genuine democracy of the broad masses of working people. The people's democratic dictatorship, in Comrade Mao Zedong's words, "is the people's 'protective talisman,'" and "something that we cannot do without for a moment, like our daily food and clothing." This famous dictum will not be outmoded for quite a long historical period. We should not be vague or waver at all on this point; otherwise, we are sure to make historical mistakes.

Reviewing the course we have gone through in the 40 years since the PRC's founding, we saw some ups and downs in adhering to the people's democratic dictatorship; however, things are generally sound in this aspect, guaranteeing that the people exercise their rights as masters of the country and China advances along the socialist road

Since the 11th Central Committee's Third Plenary Session, our party has corrected past errors, and made explicit that the exploiting classes have already been

exterminated as a class, and class struggles are no longer the major social contradiction; furthermore, the Central Committee and Comrade Deng Xiaoping have repeatedly stressed that class struggles will continue to exist for a long time and can be intensified under certain conditions due to the effects of internal and external factors. Nevertheless, some of our comrades failed to grasp this comprehensively; consequently, they lost their political vigilance with their sense of the people's democratic dictatorship waning; whereas hostile forces overseas, people pursuing bourgeois liberalization at home and various types of law-breakers who endangered the society started trouble. "The 4 June Storm" precisely took place under such a backdrop. This bloody lesson has sounded the alarm to the whole party.

A profound revelation of the whole incident, as we draw a lesson from the bitter experience, is that persistent adherence to the people's democratic dictatorship is an important guarantee to building socialism with Chinese characteristics. The people's democratic dictatorship is one of the four cardinal principles, forming an organic entity with the other three cardinal principles. They link to, and are dependent on, each other, none being dispensable, each being the basis for building the state. Just as the other three principles are indispensable in adhering to the people's democratic dictatorship, the adherence to the other three principles is inseparable from the adherence to the people's democratic dictatorship. With the absence of the people's democratic dictatorship, there is no guarantee of adhering to the Communist Party's leadership, the socialist road and Marxism-Leninism-Mao Zedong Thought. Thus, we can see that adherence to the people's democratic dictatorship is no less important than the other three cardinal principles. Regarding the four cardinal principles, we must have a comprehensive understanding, and adhere to them in an overall manner.

The people's democratic dictatorship is precisely the proletarian dictatorship with Chinese characteristics. As our state system, it is our party's creative application and development of the Marxist doctrine on the state by linking it to the practice of China's revolution and construction. In China, the socialist system with public ownership as the basis has enabled the people to become masters of the country, with all power of the party and state going to the people. Only when the people enjoy the most extensive democracy will it be possible for them to have a sense of responsibility and enthusiasm to build modernization. Today, modernization is facing the tasks of deepening reform. While pushing forward the progress of modernization, the 10-year reform has accumulated many contradictions and difficulties, and new problems will continue to surface with reform deepening. The whole party and people of all nationalities should unite as one, help each other, be on the same boat, resolve contradictions and overcome difficulties, deepen reform, and push forward modernization. But all this would be out of the question without extensive people's democracy. Comrade Deng Xiaoping has stressed:

"Without democracy there would be no socialism or socialist modernization," "the more developed socialism is, the more developed democracy is." This precisely means that the course of socialist modernization is simultaneously the course of socialist democratization."

In conducting socialist modernization, it is imperative to exercise dictatorship on a small handful of hostile elements; this is determined by the existence of hostile forces overseas and hostile and law-breaking elements that endanger society at home. Today, the fierce contention between the proletariat and the capitalist, and between the socialist and capitalist systems is under way worldwide. Our socialist country is facing the grave threats of infiltration, subversion, and "peaceful evolution." in today's world, international capitalism still possesses rather powerful economic and military strength, and is challenging socialism with this advantage. This is a cold fact that we must face squarely. Especially under the circumstances by which the world socialist cause has presently suffered some setbacks, reactionary forces hostile to the socialist system at home and abroad have accelerated their activities in sabotaging the Chinese people's government and construction. This being the case, class struggle on the home front, which is connected with the international climate, will continue to exist for a long time.

In the period of socialist modernization, class struggle at home finds focal expression in the confrontation between bourgeois liberalization and the four cardinal principles. The struggle's center remains the issue of political power, namely, the struggle between overthrowing and safeguarding the socialist regime, while the struggle mainly takes place in the ideological arena; however, under certain conditions, it may intensify and turn into violent conflict. The 1989 storm was precisely an embodiment of such a struggle. Now, the storm is over, but not the struggle. In such an international and domestic environment, the people's democratic dictatorship is the basic guarantee to our adhering to socialism and safeguarding the people as masters of the country. If the people's democratic dictatorship is lost, the people would lose everything, and millions upon millions of working people would once again be reduced to being oppressed and enslaved. The setbacks and lessons in the international communist movement have profoundly evidenced that point.

At the same time, with the main current of reform, opening up, and developing the commodity economy in our realistic social life, our error of "being firm on one hand, and weak on the other" has resulted in the surfacing of a considerable number of economic offenders embezzling state properties in a big way, infringing on people's interests and jeopardizing social economic life by resorting to all sorts of crookedness such as bribery, embezzlement of public funds, tax evasion, smuggling and selling smuggled goods, speculation, and producing and marketing counterfeit and inferior goods. Meanwhile, some scum of society have taken advantage of the situation to create social disorder by all

sorts of law-breaking activities such as committing homicide, theft, robbery, prostitution, abduction, drug-trafficking and drug-addiction, production and marketing pornographic articles, gambling, and blackmailing; what is more, gangsters have surfaced, directly posing threats to the safety of people's lives and properties. All this requires us to adhere to the function of dictatorship of the people's regime to deal powerful blows, with the state apparatus, at the hostile forces at home and abroad that aim to subvert the socialist regime and to effectively suppress and check the ideological trends of bourgeois liberalization and law-breaking activities endangering the society; thus consolidating the socialist system and protect the people's interests from infringement. Just as "taking economic construction as the key," conducting reform and opening and implementing "one country, two systems," how to adhere to the people's democratic dictatorship is also a new historical topic facing us. This being the case, we are required to link the cardinal principle of the people's democratic dictatorship to the concrete practice of socialist modernization, while making this principle complete and perfect in form and contents.

First, it is imperative to adhere to the party leadership in the people's democratic dictatorship, to adhere to, complete, and perfect the multiparty cooperation and political consultation system under the party leadership. Our people's democratic dictatorship is under the proletarian leadership on the basis of a workers-peasants alliance. The party is the vanguard of the working class, while the working class leadership will be realized only through party leadership. Therefore, it is imperative to adhere to the party leadership in the state government to guarantee the party's power.

Second, it is imperative to adhere to the people's congress system. The people's democratic dictatorship is our state system, which is realized through a certain form of government. The people's congress system, as China's basic political system, is the form of government in line with the people's democratic dictatorship. Because the people's congress is a legislative organ; a power organ that formulates laws and makes decisions on important issues; and an organ producing administrative, judicial, and procuratorial organs, while enjoying the authority to remove personnel in these organs from office. This being the case, the people's congress represents the people's will, while being able to guarantee the realization of the people being the masters of the country and exercising the right to running the state. Of course, our people's congress system and the specific form to embody such a system need be further completed and, perfected.

Third, it is imperative to continuously consolidate and develop the most extensive patriotic united front. Founding a patriotic united front is determined by the nature of the people's democratic dictatorship. Only by consolidating and developing the most extensive patriotic united front will the people's democratic dictatorship acquire the most extensive class and mass basis, and

isolate the people's enemy to the maximum to exercise the most effective dictatorship.

Fourth, it is imperative to adhere to the socialist legal system. The legal system is involved whether in practicing democracy among the people or exercising dictatorship on the enemy. In the 40-some years since the PRC's founding, especially since the 11th Central Committee's Third Plenary Session, China has scored great accomplishments in building the legal system, which plays an important role in consolidating the people's democratic dictatorship. However, because we are still short of solutions to problems originating from the absence of laws to abide by and negligence in abiding by the law when such laws exist, the realization of people's democratic rights have been affected to some extent; at the same time, such conditions have also resulted in inefficiency in dealing steady, sure, and heavy blows at the enemy. Practice in our struggle tells us that it is imperative to intensify the dictatorship apparatus, to augment building the legal system, to magnify forces of the people's army and the contingent of cadres and policemen of the public security system, thus shaping a deterrence to the class enemy at home and overseas to safeguard national and people's security. This is a very arduous task facing us today and from now on in adhering to the people's democratic dictatorship.

In a nutshell, to adhere to the people's democratic dictatorship, it is imperative for us to firmly grasp the people's "protective talisman." Lenin pointed out, socialism means precisely to eliminate classes. To augment and consolidate the people's democratic dictatorship is precisely to eliminate classes eventually. Of course, there is still voluminous work for us ahead. The day when all classes are eliminated is precisely the day when dictatorship is through, and the ideal society mankind is in pursuit of will arrive. This is precisely why we are adhering to the people's democratic dictatorship.

Article Asserts Socialism's Inevitability

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[Article by Hu Angui (5170 1344 6311): "Socialism Is Road To Building China Into A Powerful Nation"]

[Text] China's practice of socialism will eventually turn the dream of several generations for building a powerful nation into reality, and will enable the Chinese nation to really rank with other powers in the world. Persistently developing a planned commodity economy on the basis of public ownership over the means of production as the main body is the only road to fulfill China's regeneration.

The main contents of the planned economy structure is the planned and harmonious development of the economy through the state's administrative intervention. After Adam Smith established the theory of specialized division of labor in society and List criticized the theory of free market, the state's role in solving

complicated social issues through strengthening its macroeconomic control mechanisms can be traced back to the worldwide economic crisis from 1929 to 1933. At that time, the capitalist world's industrial production capacity decreased by one-third; output diminished to the 1908 level; and the number of unemployed people was nearly 30 million. The intensification of the capitalist system's intrinsic contradictions pushed the world economy to the brink of collapse. To tide over the unprecedented economic crisis which lasted several years, some capitalist states began to intervene in some key economic sectors which were blindly after economic returns on the market, and carried out economic development plans through the central banks. U.S. President Roosevelt forwarded the so-called "Three-R's" rehabilitation scheme; promulgated an urgent bank act, an industrial recovery act, and an agricultural adjustment act; expanded state investment projects; authorized the federal bank to rebuild the crumbling financial system; and offered blood-transfusion loans to industrial and commercial enterprises. All such measures, aimed at strengthening macroeconomic control mechanisms, achieved quick results and helped the United States tide over the crisis. It should be particularly mentioned that in the 1920's and 1930's, when the market economy was bogged down in the periodic crises and failed to extricate itself, the Soviet Union, which was practicing a planned economy, made substantial economic development. In spite of the military and economic blockade enforced by the imperialist powers, the Soviet Union fulfilled its first five-year plan in four years, and built up an integrated industrial system. The world history in the 1920's and 1930's showed that the economic crises caused by the free-market economy seriously damaged society, and this formed a striking contrast with the socialist planned economy's achievements. This was an undeniable historical fact whether or not people were willing to face it squarely. Statistical data also shows that after the end of World War II, the proportion of industrial sectors under state capitalism and planned development schemes continued to increase in the GNP of developed countries and regions. A typical case is Japan's high-speed development. Western economists referred to this as a "mixed economy," it was not a pure market economy. As another example, some newly rising industrial countries and regions in Asia also set up controlled economies and some rather effective macroeconomic control mechanisms through their explorations. One can say that after the end of World War II, the capitalist system's basic contradictions were concealed by the highly developed capitalist economy, but this is not as true as that the planning economic reforms, to various degrees and in various forms, amplified the new technological-industrial revolution, thus promoting the postwar economic prosperity in the developed capitalist countries.

Public ownership over the means of production is the socialist system's basic characteristic, and is also the target of attacks and vilifications of all international forces that are hostile to socialism and all domestic advocates of bourgeois liberalization. They ascribed the

socialist countries problems, encountered in their economic development, to the public ownership system in an attempt to justify private ownership. However, we learn from history that the insuperable basic contradictions of capitalism and the capitalist powers' contention for and division of colonies have twice dragged mankind into mutual killing on an unprecedented scale, and the wars caused widespread belief crisis in Western society. The belief crisis in capitalist society showed that more and more people came to realize the disharmony between private ownership and modern industrial society, and also prompted Western economists to objectively consider the future tendencies in social development. Only by conceding this point can one explain why the Western nations speeded up the process of nationalization in many trades and economic sectors when they attacked socialism. After the end of World War II, some Western countries successively nationalized the industries of post and telecommunications, public transport, energy, rare metal production, steel and iron, and automobiles. For example, the former FRG nationalized 100 percent of telephone and telecommunications, railway, and civil aviation services and 75 percent of the power industry. In the West, the nationalized enterprises were mostly those that did not reap profits, operated at high costs, that could hardly be run by private capital, or could increase government revenue. At the same time, they were also basic industries and the carriers of socioeconomic development, which directly propped up the entire national economies. Engels predicted long ago that the rapidly growing productivity would force the capitalist state to shoulder the responsibility for guiding production. The inevitability of changing into state property was first reflected in the large-scale communication institutions, such as the postal, telecommunications, and railway institutions. History shows that with specialized division of work and cooperation developing to a high degree, the contradiction between the socialization of production and the private ownership over the means of production will become increasingly intense. Both in theory and in the actual trend of historical development, the existence and development of public ownership is an objective necessity.

The reasonability of the planned economy and public ownership over the means of production under the current conditions also exists in their ability to effect self-improvement and self-development through adjustments and reforms. In our country, through the development of multiple economic elements with the public-owned economy as the main body, the rigidity in economic control, a defect of the exclusive planned economy, can be overcome; the planned economy can be organically combined with market regulation according to the requirements of the planned commodity economy, thus continuously opening the road for self-development. Our country's reform theory and practice have brought about the following consensus of opinion among the people: The planned economy should not be interpreted as solely compulsory plans; instead, both compulsory and guidance plans are concrete forms of the

planned economy; planning's role is mainly reflected in the formulation of overall development targets of the national economy, the gross quantitative control, the major structural adjustments, and some major economic activities; in such planned management, it is still necessary to apply the law of value and give consideration to the relationship between supply and demand on the market. On the other hand, the large quantity of day-to-day economic activities and the production and circulation of most industrial and agricultural products should be subjected to market regulation according to supply-demand relations. Reform has brought the advantages of the two sides into full play, and has given better play to the dynamism kept by the basic economic characteristics of socialism. In our country's economic structural reform, because the market mechanisms were introduced, the planned economy and the public ownership system have been continuously improved and developed. Other economic elements, including individual businesses, private enterprises, Chinese-foreign joint ventures, and completely foreign-owned enterprises, have also developed to an appropriate degree. The national economy's whole framework has thus been enriched and has become more diverse. Therefore, China cannot adopt the pure market-economy structure which has been discarded even by developed industrial countries.

The Chinese economy's conditions and characteristics determine the necessity of maintaining socialism in China. First, the per capita quantity of almost all irretrievable resources in China is lower than the world average, so China must utilize them in a planned and proportionate way to enhance the efficiency of the limited resources. If economic development was to be stimulated by economic crises as in the capitalist countries, China's existing resources would be more seriously wasted and China's economic construction would thus suffer serious setbacks and damage. Second, at present, the world is faced with a situation of being divided by regional trade barriers. Without a unified national plan, China will not be able to compete with developed countries and regions by proceeding from its current economic and technical level and its current trade system, still less will it be able to occupy a share in international division of work. In those circumstances, it can only be reduced to the status of a dumping market for the world's industrial goods and a supplier of raw materials.

Although there are certain disparities between the actual emergence and development of the socialist movement and what Marx originally envisioned, the Marxist thesis that the socialist public ownership system and the planned economy will promote the development of productivity has been proved to be true by human economic activities, including those in the capitalist countries.

Procuratorate Provides Rules on Reporting Crimes

OW1005202391 Beijing XINHUA Domestic Service
in Chinese 0814 GMT 8 May 91

[Rules of the Supreme People's Procuratorate on Protecting Citizens' Rights To Report Crimes, adopted at the 65th

meeting of the Seventh Procuratorial Committee of the Supreme People's Procuratorate on 6 May 1991]

[Text] Beijing, 8 May (XINHUA)—Article 1. These rules are formulated for the purposes of protecting citizens' rights to exercise their rights of filing charges, reporting on crimes according to law, safeguarding the legitimate rights of people who report on crimes, promoting the building of a clean and honest government, in accordance with the provisions of Article 41 of the "Constitution of the People's Republic of China" and provisions of Articles 131 and 146 of the "Criminal Law of the People's Republic of China."

Article 2. When citizens reporting on illegal and criminal acts of organs, groups, enterprises, institutions, and personnel working for the state, to various levels of procuratorate organs according to law, their personal, democratic and other legitimate rights should be protected by law.

Article 3. When handling, registering, and investigating citizens' reports of crimes, procuratorate organs should keep the confidentiality of persons who report on crimes.

1. Handling of reports of crimes should proceed at a fixed venue. Specific persons should be designated to hear reports. Persons who have nothing to do with reporting crimes are not allowed to receive reporters of crimes, or observe or inquire after crime reporting.

2. A sound responsibility system should be established on handling incoming, outgoing, opening, registration, transference, and filing of crime reporting mail, as well as on the reception of crime reporting visits, on listening to crime reports, and on transcribing and recording contents of crime reporting visits and telephone calls. Strict precautions should be taken to prevent leaks and loss of crime reporting materials.

3. Names, work units, addresses, contents of crime reports, and other relevant information of those who report on crimes should be kept in strict confidentiality. Unauthorized excerpting, transcribing, and duplicating crime reporting materials are forbidden.

4. Revealing or handing over crime reporting materials and relevant information of crime reporters to units or individuals accused of crimes are strictly forbidden. It is forbidden to produce original or duplicated copies of crime reporting materials when conducting investigation against units or individuals who are accused of having committed crimes.

5. All units and individuals are not allowed to trace and investigate crime reporters. Verifying the handwriting of anonymous crime reporters is not allowed, except when an investigation is warranted.

6. Verifying facts with crime reporters should be carried out only when the confidentiality of crime reporters is ensured and only when there is no risk of exposing the identity of crime reporters.

7. In publicizing the work of crime reporting, and in the work of encouraging and rewarding those who have gained merits in reporting crimes, unless crime reporters give their consent, the names and units of crime reporters are not allowed to be made public.

Article 4. Those who are held responsible for violating the confidentiality provisions of Article 3 will be strictly dealt with, by taking into consideration circumstances and consequences; if their acts constitute a crime, criminal responsibility will be held against them according to law.

Article 5. All units and individuals are forbidden to obstruct, suppress, create difficulties for, or retaliate against citizens who report on crimes, on any pretext.

Article 6. Acts by those who make use of various pretexts and methods to harm reporters of crimes and their family members, and those who falsely dispense with [JIA XIANG 0250 1927] the legitimate rights of the reporters of crimes, will be treated as acts of retaliation.

Article 7. Cases of retaliation against reporters of crimes should be handled earnestly. If cases of retaliation are confirmed after investigation, such cases should be handled properly in accordance with the severity and nature of the cases.

1. If state personnel are found to have abused their powers, used public office for private gain, and retaliated against reporters of crimes or framed them, and if such acts constitute a crime, cases against state personnel should be filed and investigated; criminal responsibility should be held against responsible persons.

2. If various forms of retaliation committed by state personnel against reporters of crimes do not constitute a crime, procuratorial recommendation [JIAN CHA JIAN YI 2914 1390 1696 6231] should be made to their superior and competent departments for strict handling.

Article 8. If crime reporters are indeed found to have suffered from bodily injury, financial and economic losses, and loss of honor due to retaliation, they may request indemnity according to law, or bring a suit at a people's court to request compensation of losses.

Article 9. Citizens should truthfully report on crimes. Those who fabricate, bear false witness, or make use of crime reporting to falsely accuse or frame others will be held criminally responsible according to law, if their acts constitute a crime.

The previous provision is not applicable to those who have made erroneous and unfounded reports of crimes because they do not understand the full facts of the matter.

Article 10. These rules are applicable to compatriots from Hong Kong, Macao, and Taiwan; Chinese nationals living abroad; and foreigners who are retaliated against because they report on the illegal and criminal acts of state organs and personnel.

Article 11. People's procuratorates in provinces, autonomous regions, and municipalities may formulate and implement their own detailed rules and regulations according to their actual situations.

Article 12. These rules come into force upon promulgation.

Seminar on Personnel Transfers Concludes

SK1205055591 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 10 May 91

[Text] After a five-day session, the national seminar on theories of personnel transfer concluded in the city of Jinan on 10 May. Zhang Hanfu, vice minister of personnel affairs, and Zhang Ruifeng, vice governor of Shandong Province, attended the seminar and made speeches. Attending the seminar were representatives from various provinces, autonomous regions, municipalities, and from the cities under direct state control.

During the seminar, 350 paper works have been collected, of which 56 have been finally appraised as outstanding. The representatives held enthusiastic and deep discussions on the current problems concerning the transfer of cadres and talented personnel.

It was pointed out at the seminar that over the past few years our country, under the situation of conducting reform and opening up to the outside world, had scored marked achievements in transferring cadres and talented personnel to actively render services to economic construction and to the broad masses of cadres and intellectuals. In 1990 the country conducted the transfer of one million cadres. Of these, 80,000 personnel were transferred to support the construction of key projects; 110,000 personnel were transferred to support the construction of border or remote areas and of grass-roots level units at the township-town level; and 130,000 personnel were transferred to deal with the separation of official couples. Meanwhile, a large number of talented personnel were assigned to joint venture and cooperative enterprises linked with foreign countries and foreign-funded enterprises, as well as to the forefront of agricultural production.

Society Promotes Eurasian Continental Bridge

OW1105190291 Beijing XINHUA in English 1431 GMT 11 May 91

[Text] Nanjing, May 11 (XINHUA)—The China Society of the Eurasian Continental Bridge was set up today in Lianyungang city, east China's Jiangsu Province.

The continental bridge is formed by international railways which link China's port city of Lianyungang at the eastern end to the Netherlands' port city of Rotterdam at the western end.

The bridge, which was finally put through last year, has received more attention at home and abroad. The research organ was established to promote international trade and exchange.

Article Expounds Views on Human Rights

HK1105042391 Hong Kong TZU CHING in Chinese
No 8, 5 May 91 pp 33-35

[Article by Ku Lu-chieh (0657 7120 2212): "Brief Discussion of Human Rights"]

[Text] Today, many people in the world are talking about human rights. Documents and resolutions on human rights have also been adopted at some international conferences demanding the guarantee of various human rights. In some countries, people have taken to the street to demand human rights. And in a handful of countries, some people have also used human rights as an excuse to interfere in the internal affairs of other countries and attempt to impose their concepts of values or of human rights on other countries. What exactly are human rights? How should they be understood? What is the human rights situation in China? These questions have not been fully answered.

Fundamental Meaning of Human Rights

In print, human rights are the basic rights to be a human being. The "Declaration and Proclamation on Human Rights" adopted by the United Nations in 1948 provided that the right to life, liberty, and security of person is the most fundamental of all rights entitled to man. Later, after various efforts and endeavors by many developing countries, the United Nations included the right to development, to economy, and to social culture as indispensable human rights entitled to man. Women, children, ethnic minorities, and disabled persons also have their own respective human rights. Therefore, the contents of human rights do not merely cover the individual but have been expanded to cover the human rights of the collective, and the scope of human rights embraces not only individual rights which aim to protect private properties but also a series of human rights encompassing society, economy, and culture.

People usually classify human rights into two aspects, that is: Individual and collective human rights. Individual human rights refer to the freedom of speech, publication, assembly, and movement which should be enjoyed by people; while collective human rights refers to the right to national self-determination and to development. In many countries including China, freedom of speech, publication, and assembly are enshrined in the Constitution as basic human rights. But individual human rights should "comply with the interest of public morality and of the collective." In other words, they should also guarantee the rights and freedoms of other people.

Undoubtedly, individual human rights are very important fundamental rights of a person. In a country with a democratic system, it is imperative for the people to have the freedom of speech, publication, assembly, and others in order to ensure their democratic rights, give full play to their initiative, and enable them to fulfill their

responsibilities to society and realize the support and supervision of governments and social organizations at various levels.

Along with the growth of a country's economy, society, and culture, people should not be concerned only with the rights and freedoms enjoyed by the individual, but should also be concerned with the rights of the collective and the state. The people should abide by the public morality, uphold the public interest, and integrate individual human rights with collective human rights as well as integrate individual human rights with individual obligations—this is the indispensable dual significance of human rights in a civilized society.

Collective human rights refers primarily to the right to national self-determination and the right to development. If a country or a nation does not enjoy political independence nor the right to economic development, then it is not possible for the people to have genuine human rights. In colonial and semi-colonial countries where the fate of the people rests in the hands of the colonisers or the big powers, how can the majority of the people speak of freedom and human rights? The right to national self-determination and to development is of enormous significance to a small country demanding national independence and the development of national economy and to a country which has just embarked on the road to independent development. Once these countries which have suffered from slavery and domination by the big powers achieved national independence, then the era of big powers deciding their survival and fate is a thing of the past. They have the right to determine their own fate, choose their own road and their own development model, and no foreign powers and forces may intervene in it. Consequently, the incorporation of the right to national self-determination and to development into human rights is undoubtedly an event of great importance to many developing countries. It also showed that the scope and definition of human rights as acknowledged universally has developed further than in the past.

Like individual human rights, collective human rights should also be linked with obligations. If a country is to be strong and its economy developed, it is necessary to upgrade the material and spiritual level of the people, and this cannot be accomplished by a handful of people shouting out orders. Success can only be achieved through the concerted efforts and hard work of the people. If the people of a country focus only their own rights, disregard the interests of the state and the nation, and refuse to fulfill their obligations, then the state and the nation will never flourish.

Human Rights Issue in China

As a socialist state, the implementation and policy of all systems in China are decided according to the interests of the great majority of people. In ensuring the people's democracy and freedom and enforcing all principles on human rights, the state not only considers the individual

interest of each citizen, but also has to take into account the collective interest of the great majority of people. China is a developing country with a population of more than 1 billion. Its economy is still fairly backward and the level of the people's education and culture has to be boosted further. For historical reasons, its social habits and traditional customs await further amelioration, while the awareness of democracy has to be further publicized and strengthened. Relevant policies and activities designed to promote human rights in China cannot ignore these realistic conditions. It has been maintained that the adoption of certain legal sanctions by the Chinese authorities in dealing with a handful of people who were engaged in separatist activities or attempted to subvert the legitimate government and socialist system in China proved that human rights have been transgressed and violated in China. Is this kind of view reasonable and tenable?

In China, human rights are embodied in the rights of the citizens. The rights and obligations of the citizen are provided for in detail by China's Constitution. These provisions are being implemented or undergoing gradual improvement. The biggest human rights issue for the Chinese people today is the elimination of poverty. The first thing is to resolve the question of food for the people. Through the efforts of the government and the people, this problem has been fundamentally resolved, and the resolution of the food and clothing problem of a quarter of the world's population is China's most important contribution to the protection of human rights in the world. China attaches great importance to the problems of women, children, and disabled persons, and has seen to the fundamental assurance of all rights and benefits. Full employment for women, universal education for children, and the gradual increase in the number of young people receiving secondary or higher education—these are facts open for all to see.

On the freedom of speech, publication, and assembly, China's Constitution has made explicit provisions and efforts are being made for their implementation in real life. The central authorities and the localities at all levels all have their own organs and tools to reflect public opinions, and the views of the people as well as their criticisms of society and government could be aired through the various channels. Along with the development in the building of material civilization, the problems in this area will be gradually resolved to create an excellent environment and material conditions for the further improvement and exercise of the freedom of speech, publication, and assembly. In short, China is striving to realize a socialist society where the old and the young are taken care of and where people have abundant food, shelter, and clothing. Naturally, this is not to say that the human rights issue in China has been perfectly resolved. As all of China is currently striving to achieve modernization, the first thing is to develop the economy in order to provide the perfect conditions for the realization of freedom, democracy, and all kinds of human rights, allow the people fuller enjoyment of all

kinds of democratic rights, and further improve the look of society as well as the livelihood of the people. However, this after all can neither be accomplished in a day or two nor within a short period of time.

Some people have a very simplistic view of the human rights issue, as if allowing people to demonstrate in the streets, shout slogans, and publish more journals and newspapers can be considered democracy. This is actually a very superficial view. While they are indeed means of exercising democracy, they are not the only means nor are they the principal means. When the interests between government and people, society and individual are not contradictory to each other, and contradictions have not reached a stage of disharmony, why not resort to consultations and forums in order to resolve issues? Consultations, forums, and even voting at meetings—can these not be ways to safeguard human rights?

As for acts of treason, separatism, inciting to rebellion, subversion of the central people's government, and overthrow of the socialist system, they should rationally be subject to legal sanctions. Even in those self-proclaimed democratic and free countries, similar acts would also be considered illegal and would be subject to legal sanctions. When some people see China punish this kind of conduct, they would wantonly attack China for "the absence of human rights." This only shows that they look at problems from a politically biased viewpoint. Naturally, the socialist legal system in China is not totally perfect. While improvements are necessary in the handling of the legal procedures of these questions, they cannot absolutely be said to be problems of "absence of human rights."

Human Rights Issue in Tibet

Because of their own respective motives and purposes, some people in the world have often accused China of violating human rights in Tibet, claiming that "the people of Tibet do not enjoy human rights," "there is not freedom of religious belief in Tibet" and others. This is far from the truth.

Tibet is an integral part of the PRC. This is a universally recognized fact since the early days of history. The Chinese Government and people attach great importance to the equality and unity among the different nationalities. China's Constitution has explicit and concrete provisions regarding the ethnic rights entitled to all nationalities in all aspects of the country's politics, economy and culture. Tibet is no exception. Like the people across the country, the people there also enjoy all kinds of democratic rights, including the freedom of religion. As a minority-inhabited region, Tibet enjoys a unique right to self-rule by the minority nationalities who may use the Tibetan language and writing and preserve their own customs and habits. If a comparison is made between the pre-liberation feudal slavery system in Tibet where the Tibetans worked like animals for the slaveowners and the situation today, then it should be

very clear as to whether the Tibetan people enjoyed human rights before liberation or at the present time.

Several years ago, riots broke out in Lhasa, Tibet. A small handful of people with ulterior motives sought to create a so-called "independent Tibet" and attempted to take Tibet away from China. Naturally, this is something that can not be tolerated by the Chinese Government and people including the people of Tibet. The Chinese Government adopted measures intended to uphold the Constitution and the national unity, and swiftly quelled the riots. Faced with similar incidents, any democratic country would have done the same thing. The riots in Tibet are not issues about the struggle for human rights nor questions of nationalities and religion; rather, they are conspiratorial acts fabricated intentionally by some people in violation of the constitution and in an attempt to split China. After the incident was over, they spread rumours to confuse the right from the wrong and attempted to use the question of human rights to slander China.

At present, the social order in Tibet is stable while the people lead secured and happy lives as their living conditions have been greatly improved and ameliorated. In recent years, the state has allotted vast amount of money for the repair of temples and monasteries in Tibet in order to facilitate the legitimate religious activities of the local worshippers as well as provide for visits by tourists. With the facts heard and seen by millions of Chinese and foreign tourists, nothing can be more persuasive than the facts indeed.

Using Human Rights as Excuse To Intervene in Internal Affairs of Other Countries Will Not Work

The UN Charter provides that no countries or international organizations may interfere in matters belonging to the internal jurisdiction of other countries. No countries may, in one way or another, deny or obstruct other countries of the choice or exercise of the rights on the economy, politics, culture, social system, and freedom. Using the so-called "human rights issue" to interfere in the internal affairs of other countries is an act which violates the UN Charter and international law.

Some countries have used "human rights" as the cornerstone of their foreign policy and have frequently blamed others for not respecting "human rights." They interfere wantonly in the internal affairs of other countries, and even linked human rights with peace and with development, asserting that without respect for human rights, there can be no peace and development to speak of. This kind of conduct exaggerating the role of human rights cannot work. Undoubtedly, the question of human rights is important. In our country, human rights has been incorporated into our Constitution and is accorded legal protection. However, there are many countries and nations in the world today whose economies are still backward and who have been victims of the unjust economic order for a long time now. The first thing that must be resolved right now is how to develop their national economies and win the people's right to life-this

is the biggest human rights issue to them. This point has always been the subject of arguments between the developing countries and some developed countries.

It is odd that when the Congress in the United States open session, it had discussed the so-called "human rights issue" of China. In fact, what right do they have to discuss China's human rights problem? They have yet to solve their own human rights problems like racial discrimination. It would be better for them to show more concern for the human rights problems in their own country and to interfere less in the internal affairs of other countries.

At a recent news conference, China's Foreign Minister Qian Qichen, answering the question of a NEW YORK TIMES reporter about whether or not China could discuss its human rights situation with other countries, said: "We are willing to discuss the human rights issue with other countries and from various international perspectives, but not only the human rights issue in China. Some people claim that human rights transcend all borders. We maintain that this does not comply with the facts. From the perspective of international law, the fact and the guarantee of human rights have to be carried out by the laws of each country, hence the principle of state sovereignty cannot be ruled out."

He said: While the United States advocates human rights, it has not ratified two conventions on human rights, nor has it signed the convention on apartheid, racial discrimination, ban on tortures, and the discrimination of women. Their argument is that by nature, human rights falls under the internal jurisdiction of the United States. They maintain that provisions in the conventions clash with U.S. laws. Therefore, if it is said that human rights has an international standard, then it should be manifested by various international conventions. All sovereign states may take part, or may do so with reservations or not take part at all. But it is absolutely not possible to use certain standards belonging to one country or to a group of countries as the international standards to be imposed on other countries.

These words have profoundly expounded China's views on the human rights issue and on the discussion of the human rights issue.

Tibetans Benefit From Freedom, Democracy

OW1305074591 Beijing XINHUA in English
0707 GMT 13 May 91

["Tibetans Enjoy More Freedom and Democracy (Tibet's Today and Yesterday Backgrounder)"—XINHUA headline]

[Text] Beijing, May 13 (XINHUA)—The Tibetans in China enjoy more freedom and democracy today if a comparison is made between Tibet's politics, economy, culture and social life prior to 1949 and after.

Tibet was a feudal serf society before the democratic reform was implemented in 1959. Officials, nobles and monasteries, the so-called three estate-holders, owned not only all

the cultivated land, pastureland, forests, mountains, rivers and the majority of livestock, but also serfs.

The three estate-holders could torture, sell, imprison and even kill serfs as they pleased. Serfs had no personal rights whatsoever, let alone democracy, freedom and human rights.

With the democratic reform, Tibet abolished feudal serfdom in the light of the United Nation's convention on prohibiting slavery. The one million serfs obtained, for the first time, rights of democracy and freedom. Emancipated from serf-owners' savage torture and inhuman treatment, they have actually gained human rights.

The Tibetans, like all of Chinese citizens, enjoy all the rights stipulated in China's constitution. At the same time, they enjoy the special rights and freedoms as stipulated in China's law on regional national autonomy.

In respect to democracy, freedom and human rights, it is necessary to observe established international principles and respect each country's specific political and economic system, ideology, concepts of morality and value, history and culture.

China's policies towards nationalities and the regional national autonomy are in keeping with the actual situation in the country and so have Chinese characteristics. They safeguard the democracy, freedom and human rights of minority people and are supported by them.

Ironically, those who talk about democracy and freedom and call for a stop to infringement of human rights in Tibet are just the ones depriving Tibetans of these rights by cruel means.

This is quite similar to a story once told by the late American President Abraham Lincoln, who stood for emancipation of the slaves and issued the emancipation proclamation but later was shot by a slave owner.

The story goes: a shepherd drove a wolf away and therefore was regarded as liberator by the sheep; but the wolf reproved him for violating freedom.

News Conference Given on Tibet

*OW0805134291 Beijing Central Television
Program One Network in Mandarin 1000 GMT
6 May 91*

[By reporters Gao Jun (7559 6511), Sun Yusheng (1327 3768 0524), and Luo Hong (7482 4767); from the "National News Hookup" program]

[Text] The State Nationalities Affairs Commission and the All-China Journalists' Associations held a film reception in Beijing this afternoon to mark the 40th anniversary of the peaceful liberation of Tibet. Following the showing of three short films "The Road We Have Taken," "A Valley in the Himalayas," and "The Tibetan Singer Dedain Zhoima," Chen Xin and Zhol Jyal, vice ministers in charge of the State Nationalities Affairs

Commission, fielded questions from Chinese and foreign reporters. [Video opens with showing of black-and-white films, cutting to long shot of seven officials seated at table facing reporters. While the announcer reads the report, camera alternately shows close-ups of reporters and officials.]

In response to a question asking for the central government's comments on the Dalai Lama's recent and intensifying activities in lobbying for support overseas, Zhol Jyal said: The Chinese Government's principles and policies toward the Dalai Lama are consistent. Once the Dalai Lama ceases his separatist activities against the motherland and changes his position on Tibetan independence, any question can be discussed. He has been involved in activities calling for independence, thus blocking the way to possible dialogue with the central government. It is hoped that Dalai Lama will act in a way beneficial to safeguarding the motherland's unification, enhancing national unity, and promoting the development and prosperity of Tibet.

Another reporter asked: In view of the diverse nationalities in China, will ethnic contradictions and conflicts occur and affect China's unification and stability, as has happened in some countries?

Zhol Jyal said: We can say with certainty that this will never happen in China. The party Central Committee and the State Council have paid close attention to the construction of a clean and honest government, persisted in the reform and open policy, given play to socialist democracy, and improved democracy and the legal system, thereby enhancing patriotism among the masses of all nationalities. The policy on equality, unity, and common development and prosperity of all Chinese nationalities, formulated and implemented by the CPC and the Chinese Government, has further strengthened unity among all Chinese nationalities. The overwhelming majority of minority nationalities realize that their rights to equality and development are protected; they are filled with hope for and confidence in the country's future.

Chen Xin also took questions from reporters.

Military

Nie Rongzhen, Yang Shangkun Meet History Editors

*OW1105011691 Beijing XINHUA Domestic Service
in Chinese 1550 GMT 10 May 91*

[By correspondent Xu Lei (1776 7191) and Central People's Broadcasting Station reporter Sun Bo (1327 3134)]

[Text] Beijing, 10 May (XINHUA)—Marshal Nie Rongzhen and Yang Shangkun, first vice chairman of the Central Military Commission, both of whom are proletarian revolutionaries of the older generation highly respected and loved by the people across the country, cordially met with some members of the committee for the compilation and

editing of "History of Red First Front Army" on the eve of the 70th anniversary of the founding of the Communist Party of China. They are greatly concerned about the compilation of this history book.

At about 0900 hours today, Marshal Nie, 92, was very happy and kept making an obeisance by cupping one hand in the other before his chest [a Chinese way of salute] to give his regards to the committee members. He earnestly encouraged them to write the history of the Red First Front Army well to leave a precious cultural wealth for future generations and provide some historical experience for strengthening army building in an all-around way. Vice Chairman Yang Shangkun met with the compilation and editing committee members in the afternoon. He shook hands with those old comrades, gave his cordial regards to them, and encouraged them to complete the history book as soon as possible. He said: The history of Red First Front Army is an important part of the history of our party and our army. By compiling and reading this book, we will be able to inherit and carry forward the fine traditions of our party and our army, and to strengthen our army building in an all-around way.

The Red First Front Army, a revolutionary armed unit personally founded and directly led by such proletarian revolutionaries of the older generation as Mao Zedong, Zhu De, and Zhou Enlai, was one of the main forces of the Red Army. It played the most important role during the Agrarian Revolutionary War [1927-1937] and had a glorious history. Marshal Nie, who enjoys high prestige and commands universal respect, held important leading posts in the Red First Front Army for a long time. He attaches great importance to the compilation of the history of the Red First Front Army. He wrote Vice Chairman Yang Shangkun a letter suggesting the compilation of the history book as early as 9 November 1987 and the Central Military Commission accepted his suggestion. A committee for the compilation and editing of the history of the Red First Front Army was formed in March 1988. After several years of strenuous efforts, a draft of the "History of Red First Front Army" for editing was completed. With accurate historical data, it truthfully reflects the revolutionary course of the Red First Front Army's growth in strength and its hard struggle. With Marxism-Leninism-Mao Zedong Thought as a guidance, the book scientifically sums up historical experience, and profoundly expounds the creation and development of Mao Zedong's military thinking. The book will surely play a positive role in helping us inherit and carry forward our army's fine traditions, ensuring the party's absolute leadership over the army, and stepping up our army's revolutionization, modernization and regularization.

The compilation and editing committee members present at today's meetings were Comrades Yang Dezhi, Wang Ping, Xiao Ke, Fang Qiang, Feng Wenbin, Liu Zhijian, Sun Yi, Zhang Zhen, He Jinnian, Mo Wenhua, Cao Lihui, Jiang Shunxue, and Li Zhizhong. Marshal

Nie and Vice Chairman Yang joined them in having group photos taken to mark the occasion.

Leaders Meet Army Medical Experts

OW1005213791 Beijing XINHUA Domestic Service
in Chinese 1030 GMT 10 May 91

[By reporter Guo Diancheng (6753 3013 2052) and trainee Li Wenchao (2621 2429 6389)]

[Text] Beijing, 10 May (XINHUA)—The All-Army Medical Science and Technology Committee held its fifth plenary meeting here. Some 200 medical experts and professors assembled to study and formulate the development strategy for the Eighth Five-Year Plan period and the next decade and to decide on a series of major matters relative to medical science and technology in the whole army.

Jiang Zemin, Yang Shangkun, Qin Jiwei, Yang Baibing, Song Jian, and Chi Haotian cordially met with representatives attending the above meeting. They paid high respects and expressed heartfelt thanks to the experts and professors who had made brilliant contributions to health work in our army.

During the period of the Seventh Five-Year Plan, the army's medical science research achieved better-than-ever results in terms of both quantity and quality. A total of 128 national awards were received, while 720 army prizes of first and second classes were won for progress made in science and technology. Above all, three national awards for natural science achievements and one national invention award were won for the first time during this period.

Cho Nam Qi, member of the Central Military Commission and director of the general logistics department, addressed the meeting. He said: The all-army medical science and technology contingent is a work force which is exceptionally outstanding and capable and entirely trustworthy. For the past decades, this contingent has always been loyal to the party, the people, and the socialist motherland and has dedicated itself to the national defense cause. It has devoted itself selflessly to its work without any intention of attracting public attention. He called on this contingent to perform new meritorious deeds in fulfilling the Eighth Five-Year Plan and the 10-Year Program. He said: Health units of the armed forces must insist that they are part of the "military" and should work for "soldiers." This is the direction of army medical science and technology research as well as its direction of service. To this end, it is necessary, first, to put military medical research to the fore and, second, to give prominence to preventive medicine research.

Cho Nam Qi stressed the necessity to attach prime importance to respecting and training competent workers. He said: Facts have proved that training and respecting competent workers is key to developing science and technology. Logistics departments, especially those departments in charge of health work, require

intensive technology and large numbers of competent workers. High-quality science and technical workers are mostly concentrated in health work departments. They are valuable assets not only to the logistics departments but also to the whole army and nation. We should depend mainly on them to develop medical science and technology in the army. Leadership at all levels should firmly uphold the understanding that science and technology is the primary productive force, treasure these valuable competent workers, show concern for them, cherish and protect them, and use them properly so that they can play their role to the fullest extent.

Army Hospital Seeks To Export Blood Products

HK0305032191 Hong Kong SOUTH CHINA
 MORNING POST in English 3 May 91 p 8

[By John Kohut in Shanghai]

[Text] A branch of the People's Liberation Army (PLA) is searching for a foreign joint venture partner to help produce blood products for export to the United States, Europe and Asia.

The deputy general manager of Xinxing's medical operations, Mr Huang Runting, said so far three companies—from the United States, Hong Kong, and Taiwan—had expressed interest in teaming up with the largest commercial PLA unit, though no contracts had yet been signed.

Xining Medicine and Medical Science and Development General, as Mr Huang's group is called, had agreed to set up a joint venture blood products company with Chicago-based Dylan Enterprises, but the two companies fell out last year following a dispute over contract terms.

Unfazed by the poor reputation of the PLA abroad since the June 1989 massacre, Xinxing Medicine and Medical sees the major hurdle to becoming an exporter as one of quality: Chinese blood products currently do not meet U.S. or European standards.

Xinxing Medicine and Medical is an example of how the PLA has over the past few years developed its many manufacturing operations, from garments to electronic products, into commercial ventures which today supply not only the army but also the civilian population.

The president of China North Industries Group, Mr Lai Jinlie, which is in charge of the country's ordnance industry, said this week that the military wanted a "second take-off" in shifting capacity of the defence industry to civil production, and called for improvement in quality so as to meet international standards.

It is a goal with which Xinxing Medicine and Medical is well in tune.

The PLA-run company has a large blood products facility in Shanghai, the only one of about a dozen such army operations across China with government approval to set up a joint venture.

Turning the Shanghai facility into a joint venture would, according to Mr Huang, provide foreign technology to improve the quality and number of its blood products, as well as to earn foreign currency. The supply of blood products in China falls short of demand, Mr Huang said.

Liu Huaqing Inspects PLA Units in Zhejiang

OW1305083291 Hangzhou ZHEJIANG RIBAO
 in Chinese 1 May 91 p 1

[Text] Accompanied by Lieutenant General Shi Yuxiao, political commissar of the Nanjing Military Region, General Liu Huaqing, vice chairman of the Central Military Commission, inspected the "Hard-Bone 6th Company" on 29 April. He zestfully reviewed the company's training drills, including formation, firing practice, a 100-m obstacle race, and a five-km cross-country race. He then stressed: The "Hard-Bone 6th Company" can pass the stiffest training test because it has trained hard. Many commanders and fighters should train as hard as this company has to build crack troops and to improve the quality of our armed forces in an all-around way.

From 22 to 30 April, Comrade Liu Huaqing inspected a certain group army near where the "Hard-Bone 6th Company" is stationed. He inspected a vehicle and weapons depot and the group army's drilling grounds, spot checked training, and reviewed achievements in this regard. He expressed satisfaction with the group army's training, implemented according to programs and regulations; it has made noticeable improvements in military quality over the last few years. Speaking with deep feeling, he told the officers and men: During times of war, your unit fought many tough, fierce, and victorious battles, scoring brilliant achievements in action. In peacetime, you have taken new steps to strengthen yourselves in an all-around way through rigorous training. In various periods, your unit ensured the strength of its political leadership, the rigor of its military training, army-government and army-people unity, harmony among officers and men, and the maintenance and propagation of the fine traditions of our party and army. He wrote with pleasure these words for the group army: "A Great Wall of Iron." He then personally presented his inscription to Major General Wu Quanxu, group army commander, and encouraged commanders and fighters to "cherish the army and learn military skills through vigorous training."

During the inspection, he stressed: The People's Liberation Army [PLA] shoulders the dual responsibility of resisting aggression from abroad and safeguarding peaceful labor by the people at home. At no time must the PLA relax its will to fight. The PLA must resolutely conduct training as its central task, improve its fighting capability in an all-around way, and successfully carry out its various tasks assigned by the party and the people.

Regarding the international and domestic situation, Comrade Liu Huaqing stressed the utmost importance of conducting high-standard military training. He said:

Tremendous changes have taken place in the international situation. This is a period in which the old strategic structure will be replaced by a new one. The old structure has been dismantled, but a new structure is yet to take shape. Hostile forces have never abandoned their attempts to subvert socialist countries [di dui shi li shi zhong mei you fang qi dian fu she hui zhu yi guo jia de tu mou 2420 1417 0528 0500 1193 4807 3093 2585 2397 2757 7351 6010 4357 2585 0031 5030 0948 1367 4104 0956 6180]. Although a big war [da zhang 1129 0101] may not break out for some time to come, limited war or armed conflict might occur at any time. As the strong pillar of the socialist country, the people's army should always maintain its powerful fighting capability; otherwise, it would be unable to carry out its mission.

During the inspection, Comrade Liu Huaqing pointed out: The party Central Committee, the State Council, and the Central Military Commission are very concerned about the armed forces's equipment, which will be continuously improved in the future. We still must fight, however, on the basis of our existing equipment [wo men hai shi yao li zu xian you zhuang bei da zhang 2053 0226 6703 2058 6008 4539 6398 3807 2589 5944 0271 2092 0101]. The deciding factor in the outcome of war is people, not materials. As long as we persistently maintain high standards and conduct rigorous training by taking various difficulties and the needs of actual combat into account, improve the quality of human resources, and use our weapons better, we can certainly vanquish the enemy with existing equipment.

After hearing a briefing by Maj. Gen. Wu Quanxu, commander of the group army, on a military work conference held by the group army, Comrade Li Huaqing expressed appreciation for implementing the guidelines of the conference according to actual conditions. Comrade Liu Huaqing said: Only by so doing can they work creatively to solve problems and achieve results. Leaders at various levels should go to basic units to discover and solve problems to propel all-around army building to a new level.

Sichuan Militia Promotes Social Order

HK0105030891 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 28 Apr 91

[Text] Yesterday, the Sichuan Provincial Political and Legal Affairs Commission and Provincial Military District jointly held in Nanchong a work conference on organizing militia to push ahead with social order comprehensive harnessing.

The conference fully affirmed the achievements scored by militia in safeguarding and comprehensively harnessing social order over the past few years. Over the past few years, our provincial militia has participated in patrols and played an important role on such important occasions as [words indistinct], Nanchong Silk Art Festival, Leshan International Dragon Boat Race, Chengdu Peach Blossom Festival, Inauguration Ceremony of (Songshan) Monument to Red Army's Long March, as

well as on various satellite launch and retrieval occasions. A total of 131,400 militiamen have been dispatched to deal with some 3,052 emergencies. The militiamen have also cracked down on and stopped a total of 335 sabotage activities, safeguarded social order, and defended the safety of important departments.

(Li Guoyong), provincial party committee deputy secretary, and Ren Yinglai, provincial military district commander, attended and delivered speeches at the conference.

In his speech, Comrade (Li Guoyong) stressed: It is necessary to fully understand the importance of militiamen participating in social order comprehensive harnessing, extensively mobilize militiamen to take part in social order comprehensive harnessing work, properly handle several types of relations regarding militiamen safeguarding social order and participating in social order comprehensive harnessing, and strengthen leadership over militiamen participating in comprehensive harnessing of social order.

Fighter Plane Manufacturing Developed

HK0705062091 Beijing ZHONGGUO XINWEN SHE in Chinese 0408 GMT 26 Apr 91

[Report by reporter Zhu Daqiang (2612 1129 1730): "China has Manufactured Over 10,000 Fighter Planes of Over 60 Models"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 26 Apr (ZHONGGUO XINWEN SHE)—Since the PRC's founding, it has developed and manufactured more than 10,000 fighter planes of over 60 models to equip China's air force and navy.

Military aircraft has always been the focus of China's aeronautics industry. At present, China has entered the stage where it develops and manufactures its own military aircraft.

Presently, aside from its own use, China also sells a considerable number of aircraft to many countries and regions. In particular, fighter planes like the Jian [fighter 3005]-6, Jian-7, and Qiang [strong 1730]-5 have been exported in large numbers overseas.

Born during the war to resist the United States and support Korea, China's military aircraft industry has gone through the stages of repair and imitation to its own development and manufacture, leading to a gradual accumulation of all aircraft models and to the development of a line of attack aircraft, bombers, assault aircraft, helicopters, cargo planes, and pilotless aircraft.

Before and after 1980, China fixed the models for such key projects as the Jian-7 II, Jian-8 I, and Qiang-5 II. In 1985, the troops began to be equipped with aircraft like the Jian-7 III, Jian-8 II, and Jian-Jiao [teach 2403]. Later, China started developing and manufacturing a new generation of fighter planes and certain special purpose aircraft.

Furthermore, focusing on the international market situation, China adopted methods like international cooperation and multilateral financing to improve or develop such export models as the Qiang-5 III, Jian-7 M, Jian-Jiao-7 P, and Jiao-8 in order to meet the needs of foreign consumers.

According to officials at the Ministry of Aeronautics and Astronautics Industry, China's development of military aircraft will henceforth be focused on narrowing the gap with the world level, developing with focus and purpose a new generation of high-performance military aircraft, accelerating the opening of an international market, and cooperating with foreign countries to develop new aircraft models so that they may share the burdens of investment, development, marketing, and sales as well as share the benefits.

Female Student Pilots Enter Air Force Institute

OW0705100391 Beijing XINHUA in English
0741 GMT 7 May 91

[Text] Changchun, May 7 (XINHUA)—Thirty-four female students of pilot [as received] have recently entered Changchun Air-Force Institute after completing their two-year-long ground training.

The group are the first female students of pilot working for a bachelor degree in the Air Force of the People's Liberation Army (PLA).

They are also the sixth group of female pilots enrolled by PLA's Air Force.

Coming from Liaoning, Hebei and Shandong Provinces, these students were chosen following the national college entrance examination in 1989.

Over the past two years the women have studied 30 subjects in four areas including politics, military affairs, culture and physical education.

In the next two years, the group will study undergraduate courses related to flying. Following graduation, they will receive a bachelor's degree in military science and will be conferred the rank of lieutenant. They will either be assigned as pilots, pathfinders or as instructors at the pilot and pathfinder institute.

Cadets Carry Out Training in Shaanxi

OW0505175691 Beijing XINHUA Domestic Service
in Chinese 0329 GMT 4 May 91

[By RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646) and XINHUA reporter Tan Daobo (6223 6670 0590)]

[Text] Xian, 4 May (XINHUA)—Several hundred cadets from the National Defense University and from the Lanzhou Military Region, who are taking part in training in directing military campaigns, conducted on-the-spot educational training in northern Shaanxi. They

studied the revolutionary tradition at the foot of Baotashan and tried to master the Yanan Spirit on the bank of the Yanshuihe River.

Yanan was once the site of the CPC Central Committee. It also was the place where the Anti-Japanese Military and Political College, the predecessor of the present National Defense University, the highest institute of learning of the army, was founded. The National Defense University's educational policy of "upholding a firm and correct political orientation, following a hard and simple workstyle, adopting flexible, mobile military strategies and tactics" and the school spirit of "unity, having a sense of urgency, solemnity, briskness" all were formulated and cultivated by Comrade Mao Zedong here. In the past several days, trainees emulated the examples set by former students of the Anti-Japanese Military and Political College. Like their predecessors, they held their folding stools under their arms, carried teaching plans on their backs, made use of the brick beds of peasants' cave dwellings as well as battlefields of the past as classrooms; they also learned politics, military skills, and studied the school spirit of the Anti-Japanese Military and Political College. The students conducted a series of study activities centering on the Yanan spirit of seeking truth from facts, of hard struggle, and of forging close ties with the masses. At such revolutionary sacred places at the foot of Fenghuang Mountain, Yangjialing, and Zaoyuan, they visited the former residences of Chairman Mao and other older generation proletarian revolutionaries and sites of revolutionary relics. They studied again the works of Chairman Mao as well as the process of decision-making by the then CPC Central Committee, through which they learned the truth-seeking strategy and art that guided the revolutionary struggle of the past. At Nanniwan and at several nearby villages, the cadets had cordial discussions with local peasants. They plowed the farmfields, thereby personally experiencing the hard life of "fighting-cum-production" of the past. They also visited the martyrs' cemetery and laid wreaths in front of the tombs of Wang Ruofei, Ye Ting, and Xie Zhichang. Whenever they visited a place, they always went deep into cave dwellings, courtyards, and farmfields with a view to understanding the life and production of the masses and with a view to increasing their understanding of the building of socialism with Chinese characteristics. The student-trainees also paid visits to a number of Red Army veterans and Eighth-Route Army veterans and requested them to make reports and talk about tradition.

Headed by Zhang Zhen, director and political commissar of the National Defense University, and by Fu Quan, commander of the Lanzhou Military Region, the trainees crossed over mountains to survey famous sites where battled had been waged in defense of Yanan. They carried out military exercises and studied the military theory and art of commanding of Mao Zedong and other proletarian military strategists.

Toward the end of their training in Shaanxi, trainees came to Baota Mountain to plant trees and erect monuments. All said they would further carry forward the Yanan spirit, inherit revolutionary tradition, strengthen their convictions in socialism, and always obey the party's orders. They also said they would strive to qualify politically and strive for perfection militarily.

Economic & Agricultural

Plant Directors' Pay Reduced for Poor Quality

OW1405030191 Beijing XINHUA Domestic Service
in Chinese 2017 GMT 11 May 91

[Text] Nanjing, 12 May (XINHUA)—“The report forms say that the product quality is top-notch, while the actual products are a complete mess.” Not long ago the plant-level cadres of three enterprises in Nanjing were punished economically for paying little attention to product quality. Their wages were lowered by one grade.

According to sources, all three enterprises fall under the Nanjing City Packing Corporation. Over the past several years, enterprises under this packing corporation have lost some 4 million yuan annually because of poor quality control. At the beginning of this year, while launching the “quality, variety, economic efficiency year” activities, the corporation showed the losses to the enterprises, hoping they would pay greater attention to quality control. However, a few enterprises did not firmly grasp quality control, but instead concentrated their efforts on preparing the report forms. A printing plant, noted for its advanced technology and equipment inside and outside the province, slackened its efforts in technological management and had accidents even in printing common trademarks. In the report forms presented to the corporation, however, the plant said that the up-to-standard ratio of its products was as high as 99.7 percent. This phenomenon attracted the corporation leaders' attention. They dispatched personnel directly to the production sites of enterprises to examine quality control. They ultimately discovered that wide differences between actual product quality and the quality reported in report forms existed universally.

Therefore, the Nanjing City Packing Corporation economically punished the plant-level cadres of the three enterprises with serious quality control problems. In addition, the corporation issued a circular criticizing the few enterprises for their wrongdoings. After education and assistance, all enterprises under the corporation started to grasp quality control firmly by seeking truth from facts. They no longer concentrate their efforts on preparing the report forms. A plant director who was punished economically said with deep feeling: “Though we get worked up and palpitate when dealing with quality control, we now are concentrating our efforts on the right things.”

Ways To Cope With Unemployment Analyzed

HK1405003591 Beijing GONGREN RIBAO in Chinese
19 Apr 91 p 3

[Report by Yang Yiyong (2799 1355 0516): “Ways To Deal With Increase in Job-Waiting Rate in Cities, Towns”]

[Text] Our country's employment situation is grim. The number of people waiting for jobs is increasing in cities and towns, and the job-waiting rate is rising. The job-waiting rate remained at 2 percent for the five years beginning in 1984, and rose to 2.6 percent in 1989. The 1990 job-waiting rate is estimated at 3 percent. The relevant department predicted that this year's job-waiting rate will continue upward. A serious study should be made and effective measures should be taken to keep the job-waiting rate under 3.5 percent.

Many factors have caused the increase in the job-waiting rate for the last two years. We think the main factors are as follows:

1. The “transfer from agricultural to nonagricultural laborers” was out of control during the Seventh Five-Year Plan, thus putting heavy pressure on cities' and towns' employment. In the first four years of the Seventh Five-Year Plan, 19.24 million people were involved in the “transfer from agricultural to nonagricultural laborers,” with 5.49 million in 1986, 4.76 million in 1987, 4.78 million in 1988, 4.21 million in 1989 despite that year's state control quota, and an estimated 3 million in 1990. During the Seventh Five-Year Plan, one-third of the people who were assigned jobs in cities and towns were agricultural laborers. The cause of the increase in the job-waiting rate for the last few years has been an excessive “transfer from agricultural to nonagricultural laborers.”
2. The flow of peasants into cities and towns has caused a lack of employment opportunities there. Now over 10 million rural people are working in cities and towns, either as domestic helpers or extrabudgetary workers in some enterprises, twice the number of job-waiting people in cities and towns. In the last two years of economic rectification, the state has called for reducing the number of extrabudgetary workers, but taken as a whole, the number of peasants coming to cities and towns is increasing, instead of decreasing. This should be taken into serious account.
3. From the macroeconomic angle, during economic rectification, the investment scale was reduced; the industrial structure was adjusted; and some enterprises were closed down, stopped operation, were merged, or shifted to producing other types of commodities. Thus economic growth slowed down and the social demand for the labor force dropped.
4. From the microeconomic angle, first, owing to the fact that total wages are linked to economic results, many enterprises have paid attention to economic results and reduced their labor investment. Instead of recruiting new workers, they have refused the employment quotas set for

them by planning departments. Second, some enterprises have produced bad economic results over the last few years, so some of their workers remained idle, to say nothing of providing employment opportunities for society.

5. During economic rectification, management was strengthened over individual economic sectors in cities and towns, taxation was strictly implemented, and the authorities cracked down on illegal activities. This was very good, but objectively, the number of workers in cities and towns fell, instead of rapidly increasing as in 1988.

6. It is difficult for job-waiting people in cities and towns to get jobs, and for enterprises to find workers; these two phenomena exist simultaneously. This has arisen from the following factors: First, some people are too fastidious about jobs and prefer to wait until there are high-paid positions; some even refuse to go to enterprises that are not under public ownership. As a result, some people cannot get jobs and some jobs wait to be done. Second, some people's quality is bad and therefore they find it difficult to get jobs.

To resolve these problems, the following measures should be taken:

1. Cities and towns should continue to strictly control the "transfer from agricultural to nonagricultural laborers." Practice has proved that whether or not the employment issue can be resolved well depends on whether or not the flow of rural people into cities and towns is controlled. To alleviate employment pressure on cities and towns, the number of agricultural laborers entering cities and towns should be reduced and the relevant system strengthened to form unanimity and coordination between policy and quota control.

2. A "work permit" system should be introduced to exercise control over the number of peasants entering cities and towns for work. Efforts should be made to repatriate and reduce extrabudgetary workers, particularly those from the countryside. On the basis of maintaining stable employment development in cities and towns, a plan should be worked out for a rational flow of rural laborers into cities and towns.

3. Investments in capital construction should be increased appropriately during the Eighth Five-Year Plan. While ensuring economic results and social productivity, social demand for labor force should be expanded. Without economic results, there can be no social benefits; economic results help develop social benefits. Economic results and social benefits should be taken into account when resolving the employment issue.

4. Large and medium-sized key enterprises should be invigorated and small enterprises should be developed. On the basis of improving the linkage between wages and economic results, and by ensuring the continuous improvement of their economic results and labor productivity, enterprises should have a share in providing jobs.

5. The "three-in-one combination" principle for employment should continue to be implemented. Collective, individual, and private economies in cities and towns should display their full role in making arrangements for the labor force. Tertiary and labor-intensive industries should be developed so that these economic departments can provide employment. It is necessary to build service companies, to gather idle capital in society to form economic bodies, to provide work as a form of relief, and to expand labor service exports. Employment should be provided in an organized way through various channels.

6. Guidance should be strengthened for job-waiting people in cities and towns so they will have a better idea of the employment situation and rely on their own efforts in looking for jobs. In the meantime, there is a need for employment training centers to improve the quality of job-waiting people.

7. The labor employment system in cities and towns should be further reformed. An all-personnel labor contract system [quan yuan lao dong he tong zhi 0356 0765 0525 0520 0678 0681 0455] should be introduced. A new employment system should be formed in which planned management is integrated with market regulation, and overall consideration is given to both economic results and social benefits. In addition, labor employment system reform should proceed in coordination with reforms in other fields, such as improving and perfecting the social protection system, to create an excellent social environment for the rational flow of rural laborers into cities and towns.

Meeting Stresses Better Enterprise Management

OW1305133691 Beijing XINHUA Domestic Service in Chinese 0129 GMT 11 May 91

[By reporter Li Xiaolin (2621 1420 2651)]

[Text] Dalian, 11 May (XINHUA)—A national discussion meeting on enterprise management is going on in Dalian. Participants pointed out during the meeting that it is necessary to take further steps to improve enterprise management.

Since the beginning of the year, industrial production has been increasing steadily, but there also are some serious problems that can be solved only through improving enterprise management.

First, it is necessary to readjust the product mix according to market demand. When formulating the product mix readjustment plan, we must make a good market forecast, recognize trends in market changes, constantly open up both domestic and international markets, produce only salable goods of a reasonable product mix according to market demand, and produce more famous-brand, superior, new, and special products. It is necessary to prevent new overstocking of goods caused by repetition of substandard construction and production.

Second, it is necessary to pay attention to quality control throughout the production and management process. All enterprises should have a clear and definite quality objective and set up a strict quality control responsibility system of which the results should be evaluated as the major part of the internal economic responsibility system. Poor quality control results should be a good reason to deny a wage increase or a bonus. We should actively adopt state standards and advanced international standards so as to end the phenomenon of production without standards. At the same time, we should strictly enforce work discipline and operational procedures, and ensure good quality products with good quality of work. Government departments should make maximum use of economic, administrative and legal means, as well as public opinion, to create an environment in which enterprises must pay attention to product quality.

Third, it is necessary to place the emphasis of enterprise management improvement on efforts to lower material consumption and improve cost management. All enterprises should set their specific energy and material conservation targets according to their actual situation and strictly appraise the results. It is necessary to eliminate or stop using old equipment that uses too much energy, revise and lower the existing ceiling of material consumption, make a value analysis of the products being produced or to be produced, formulate a cost control plan, implement overall economic accounting, and strictly control nonoperational expenses. In addition, it is necessary to set targets for the task of reducing losses and increasing profits, establish a responsibility system for the task, and end the situation of incurring serious losses.

Fourth, it is necessary to promote sales and reduce goods in stock. Plant directors should improve organization and leadership over marketing, make timely readjustments of marketing strategy, strengthen the marketing department with cadres who know technology and management, and raise the vocational level of sales personnel. Various flexible buying and selling practices should be adopted according to the market situation so as to promote sales. Enterprises with the necessary conditions should actively open up to and increase their share in the international market. All enterprises should protect credit order in society, strictly enforce financial accounting discipline, and accelerate capital turnover.

Communications Minister on Development Plan
*HK1205061591 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 17, 29 Apr 91 pp 12-13*

[Report by staff correspondent: "Blueprint for China's Communications Development in the 1990's: An Interview With Communications Minister Huang Zhendong"]

[Text] Communications and transportation development has been given much attention in the 10-Year Program for China's National Economic and Social Development and the Eighth Five-Year Plan. How has

the Ministry of Communications organized its 5.6 million staff members and workers to fulfill the state's development strategy? How has it drawn China's communications development blueprint for the 1990's? Our reporter interviewed 50-year-old Huang Zhendong, the newly appointed minister of communications.

Minister Huang Zhendong said: In his report to the Fourth Session of the Seventh National People's Congress, Premier Li Peng talked about China's communications and transportation in six points from different angles, explicitly pointing out: "Basic industries and facilities still remain weak links in China's economic development. Owing to the fact that the construction period for basic industries and facilities is lengthy, the amount of investment required is large, and their costs and charges are too low, we are required to make early arrangements for the formulation of an investment policy oriented to this situation so as to raise the necessary funds through various channels." This analysis and estimate completely conforms with the actual situation in communications, which constitute a part of the country's basic facilities. Minister Huang explained by citing some examples: Although efforts have been made during previous five-year plans and great development has been achieved in communications and transportation since the introduction of reform and opening up, the shortage of communications and transportation facilities has not been fundamentally alleviated. Highways are of a low grade, apart from being small in numbers, with a density of 10.4 km in each 100 square km, and 25.2 km in developed coastal areas, far lower than the standards of developed countries. Throughout the country, 28 percent of the 1-million-km-long highway system is substandard, and blacktopped highways account for only 23 percent, of which 90 percent were built in the 1960's with residual oil. There are more than 4,000 dangerous bridges, and 99 percent of highways are for mixed transportation, with pedestrians, livestock, tractors, bicycles, and automobiles traveling on them, the average hourly speed being 30 km. Oil consumption on these highways is high. Highway surfaces are worsening: 60 percent of them have exceeded their use periods and are not disaster-resistant. Take port construction for example: According to the Seventh Five-Year Plan, 120 deep-water ports were to be built, but only 96 have been built. Our port handling capacity falls short of demand by 50 million tonnes. We still are short of ports for unloading coal, grain, and groceries. Offshore island ports are in great demand and transportation there basically remains primitive.

The backward situation in inland shipping remains unchanged. By the end of the Seventh Five-Year Plan, short-distance shipping channels for 300-tonne vessels accounted for only 11 percent of the total inland channels, and short-distance channels for 1,000-tonne vessels: 5 percent. There are few berths in inland ports, and loading and unloading equipment is obsolete. There are many sluices obstructing navigation. Inland shipping enterprises are in difficulties. Shipping capacity cannot

cope with demand. Trucks and vessels are outmoded. Coastal shipping enterprises alone are short of 500,000-tonne coal vessels and tankers, 40 passenger ships, and 5,000-tonne cargo ships. Almost 50,000 vehicles of highway transportation enterprises need to be scrapped, accounting for one-sixth of the total number. Transportation supporting departments are very backward and their equipment is outdated. This falls far behind the need of modernization in transportation.

In this situation, how should employees in transportation departments seize the last decade of this century? Huang Zhendong pointed out: Communications development in the coming decade should proceed in harmony with the realization of the second-step strategic target for national economic development. Communications and transportation should be improved so that it serves the national economy and provides a safe, good quality, and prompt guarantee for the national economy's sustained, steady, and coordinated development. We should do a good job in the construction of basic facilities for communications according to the development principle of "overall planning, integrating departments and regions, different levels assuming responsibility, and combined construction."

To put this principle into effect, we should have a practical communications and transportation development strategy. Minister Huang pointed out: Communications and transportation development will take several five-year plans, during which main highways, waterways, ports, and their relevant supporting systems must be built. The development target during the Eighth Five-Year Plan is this: Building and rebuilding 90,000 km of highways, constructing 180 berths, improving 4,000 km of navigation channels, and changing the backward situation in the transportation support system. To put it more specifically, the construction of main highways will be divided in three levels: Highways in the most developed regions, in comparatively developed regions, and in ordinary provinces. Arrangements will be made to build high-speed highways; freeways; grade-one, grade-two, and grade-three highways; bridges; about a dozen tunnels; 20,000-km of highways in poor regions; coal loading and unloading ports; and container ports so as to improve transportation between north and south China. Construction will be carried out for main waterways along the Chang Jiang below Wuhan; transportation along the Xi Jiang, the Beijing-Hangzhou canal, and the Heilong Jiang will be improved; the Han Jiang, Xiang Jiang, and Xin Jiang inland waterways will be cleaned up, together with their relevant ports; and main river channels will be built. Attention will be paid to updating vehicles and vessels to form a comprehensive transportation capacity and improve management. In terms of the support system, efforts will be made to resolve rough telecommunications, to provide safety telecommunications services for global sea disasters, and to bring our sea telecommunications closer to advanced world standards. We will form a complete sea security inspection system, a transportation management system for ships of different tonnage, and a series of coastal lighthouses. Maritime fire

services, as well as sea relief and antipollution facilities will be improved. Professional education in communications and transportation will be given much attention and research in this respect will be improved.

On how to fulfill these targets and tasks, Minister Huang pointed out four key points to be resolved: The first point is the amount of investment. Construction funds come from state investments in fixed assets first; second, from fund-raising in various fields, localities, and undertakings; third, from introducing foreign capital; and fourth, from the funds allocated by policies and measures for the construction of highways, ports, inland waterways, and railway stations during the Eighth Five-Year Plan. Stable investment for transportation development is very important. The investment for this purpose during the Eighth Five-Year Plan should be more than the amount during the Seventh Five-Year Plan. The second point is initial-stage work for construction projects, particularly key construction projects. Minister Huang said he was worried about initial-stage work; if initial-stage work is not done well, construction projects cannot proceed and increasing investments will remain empty talk. In such cases, investments may be wasted. The third point is organized implementation. Owing to the fact that the construction of communications projects requires huge investments and a long period of time, it is very important to proceed with these projects in an organized way. In particular, some state key projects that involve different departments and have high technical requirements, should be carried out in coordination. The fourth point is making scientific and technological progress. During the Eighth Five-Year Plan, we will apply many of our technological achievements to production and construction to produce greater economic results.

People say Minister Huang Zhendong is an "expert" in the communications and transportation field. After graduation from the Shanghai Shipping Institute in 1963, he was assigned to work in the Qinhuaodao Harbor Administration Bureau. He was appointed deputy chief of the harbor planning section and then bureau chief. He was promoted to vice minister of communications in 1985 to take charge of capital construction, financial work, and material supply. The Chinese Communications Investment Corporation was formed in 1988 and he was appointed its general manager. Not long ago he was promoted to minister of communications.

Increasing Content of Reform Discussed

HK1205060291 Beijing LIAOWANG in Chinese
No 13, 1 Apr 91 p 3

[Article by Wang Shiyuan (3769 0099 0337): "Increase the Extent of Reform"]

[Text] At the Fourth Sessions of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC], which drew national

attention, NPC deputies and CPPCC members enthusiastically discussed Li Peng's report on the guidelines of the 10-Year Program and "Eighth Five-Year Plan" for National Economic and Social Development. The deputies and members had a common understanding, namely that to successfully achieve the strategic goal in the second step of modernization in the next 10 years, it is necessary to increase the content of reform.

Increasing the content of reform is an objective need for the development of China's socialist construction at present and in the future. We should look ahead into the future and complete the three major tasks in the 1990's for the achievement of the strategic goal in the second step, namely, doubling the GNP, raising people's standard of living to a comfortable level, establish a preliminary economic structure and an operational mechanism that suit the development of the socialist planned commodity economy based on public ownership and that integrate the planned economy and market regulation. To achieve this goal depends, to a great extent, on the deepening and success of reform. We should be realistic and solve the numerous underlying contradictions in our current economic work, such as the irrationality of the economic structure, low economic returns, and the rough basic economic relations. The best way out is to deepen reform. In addition, the strengthening of the mutual links and mutual dependence of the economies of different countries coexists with acute competition. It is both an opportunity and a challenge to China's economic development. It also demands that we must establish through reform a structure and a mechanism suited to international competition to ensure that China will stand firm economically in the face of the great storms and waves of the world's economy and seek better development. In short, whether judging by the present or the future, or by the home or international situation, it is necessary to increase the content of reform.

Increasing the content of reform is not only an objective need but also a possible reality. The program of economic improvement and rectification over the past two years and more has cooled down the overheated economy. Inflation has been curbed, the serious imbalance between total supply and demand has been improved, and the overall economic situation is developing in a good direction. During this period, reform has not stagnated but has taken a new step forward while the reform measures in force are being strengthened and improved: We have adjusted or relaxed control over the prices of more than 20 kinds of commodities. Enterprises have successfully signed the second round of contracts and have carried out the two trial reform items of the "separation of profits and taxes" and the share system. There has been great progress in the commodity market, especially in the market of production factors. The macroeconomic regulatory system is now taking shape. All this indicates that the program of economic improvement and rectification has created conditions for the national economy's gradual sustained, steady, and coordinated development and has also created comparatively relaxed conditions for reform and opening up,

thus bringing better prospects. This is the real foundation for increasing the content of reform in the future. It would be impossible to increase the content of reform in the preceding few years when inflation was serious, commodity prices had risen considerably, and people had difficulty securing stable means of livelihood. Moreover, China has obtained great and world-renowned achievements through reform and opening up over the past 10 years and more and gained an abundance of experiences, and has basically formulated the system of theories on reform in the economic structure. These theories include: Establishing socialism with Chinese characteristics, stick to the basic line of "one center, two basic points," practice the socialist planned commodity economy, and institute the economic operational mechanism integrating the planned economy and market regulation. These theories are the products of the integration of Marxist universal truths and the concrete practice of China's socialist construction, and is a new development of Mao Zedong Thought. It was and will continue to be a guide to China's reform. Judging by the practice, through reform in various areas such as enterprises, market, prices, and the macro-regulatory system, there have been great changes in the pattern of China's economic structure, and the concept of reform has continually been strengthened. By summing up experiences about some mistakes, people have become wiser. The fruits of theories and practice have offered a favorable condition for increasing the content of reform.

More and more people have come to know and understand the necessity and feasibility of increasing the content of reform. In order to obtain further achievements in reform, it is necessary for us to be more certain about the direction and goal of reform. The 13th CPC Central Committee Seventh Plenary Session pointed out: Reform is the socialist system's self-improvement and -development and the basic direction for reform in the economic structure in the next 10 years.

It is a new system that has basically established the socialist planned commodity economy and the corresponding economic operational mechanism that integrates the planned economy and market regulation. Bearing in mind this general goal of reform, we must reform five aspects in a coordinated way: First, strengthen and improve the ownership structure with public ownership as the main body and the existence of a variety of economic elements. Second, strengthen the vitality of enterprises, especially that of large and medium people-owned enterprises, as the central link; stick to the principle of separating the duties between government and enterprises and the appropriate separation between the right of ownership and the operating right; and institute an operational mechanism for modern enterprises that meet the needs of the planned commodity economy, that are full of vitality and self-operating, and that assume sole responsibility for profits and losses. Third, institute and develop a national unified market system that includes commodities and production factors, and on the basis of straightening out

comparative price relations gradually institute the price mechanism that brings under state planned management only a few products that are vital to the national economy, people's livelihood, and overall development, while relaxing control over the prices of the majority of commodities and allow them to fluctuate according to the market. Fourth, continue to reform the labor wage system while sticking to the principle of using a variety of distribution modes with distribution according to work as the main body. Fifth, gradually institute a two-tier economic regulatory system integrating direct regulation and indirect regulation by the central authorities and province, or autonomous region, or municipality. In addition, expedite the reform of the housing and social security systems. The extent of openness to the outside should also be increased.

We are now at a crucial moment linking the past and the future and are faced with the strenuous task of the economic structural reform. We should seize the opportunity, observe and understand the situation, and deepen reform in a correct direction. History has entrusted us with this glorious mission.

Economic Official Outlines Reform Tasks

HK1405085091 Beijing ZHONGGUO JINGJI
TIZHI GAIGE in Chinese No 3, 23 Mar 91 pp 7-9, 23

[Report by staff reporter: "State Commission for Restructuring Economy Official on Reform-Related Tasks for This Year"]

[Text] This reporter recently interviewed a responsible person from the State Commission for Restructuring Economy on reform-related tasks and arrangements for this year. According to a briefing, under the prerequisite of maintaining the stability and continuity of various existing reform policies and measures, this year's economic structural reform will be carried out in a vigorous and steady way, centering on resolving conspicuous problems in the current economic life. The focus of economic restructuring will be placed on invigorating enterprises, especially large and medium ones owned by the whole people and the necessary internal and external conditions will be created for this central link.

Reform Should Be Focused on Invigorating Enterprises, Especially Large and Medium Enterprises Owned by the Whole People

In deepening reform on enterprises, especially large and medium enterprises owned by the whole people, efforts should be concentrated on improving their operating mechanism to enhance their vigor and restrictive capacity. On the basis of perfecting and developing the contracted management responsibility system, further strides should be taken to deepen the internal reform of enterprises. It is necessary to earnestly grant enterprises decisionmaking power in their operation and management in accordance with requirements put forward in the "Enterprises Law." Continued efforts should be

made to persistently and properly separate the responsibilities and functions of government from those of the enterprise and ownership from operating power; administrative interference by governmental departments should be reduced in the production and operation of enterprises, to enable enterprises to take a market-oriented approach, intensify their awareness of operations and markets, and vigorously open up their own domestic and international markets. As a result, under the guidance of the state plan and industrial policies, enterprises are able to establish, perfect, and make a self-operating behavior of their own an entire management mechanism, whereby new technologies and products can be developed, the quality of products enhanced, and before and after sales services carried out.

—The organization of and leadership over the new round of contracting work should be strengthened, to cause the two phases of contracting work to dovetail in the shortest possible time. Continued efforts should be made to perfect the method of linking wages with performance and to earnestly link efficiency wages with input-output ratio and labor productivity. It is necessary to carry out experiments on an internal distribution system which takes a wage system of job skills as its main form. Various localities should, in light of the enterprises' profits-retention level, determine the proportions of production development foundation in the total retained profits of enterprises; improve the utilization method of such retained profits; pay special attention to replenishing the enterprises' own floating capital; and ensure further growth of the enterprises. To those enterprises which take the production development foundation as welfare and incentive foundations, efforts should be made to redress their failure in including expenses in the cost of production, which should have been included, and in drawing funds, which should have been drawn, as a foundation for depreciation, overhauls, and new product development.

—It is necessary to persistently carry out and perfect the factory director responsibility system and guarantee various functions and powers entrusted to factory directors (managers) by the "Enterprises Law" in terms of policy decisions, organizational structure, appointments and removals of intermediate-level cadres, internal distribution, and rewards and punishments in factories.

—Efforts should be made to push forward the technical transformation of large and medium enterprises owned by the whole people, with focus and in a planned way. Technical innovation should be focused on reducing energy consumption, improving product quality, increasing new varieties, enhancing labor productivity, expanding foreign exchange earnings through exports and the substitution capacity of imports. Varied channels should be adopted to increase input into the technical transformation of enterprise: 1) Large and medium enterprises owned by the whole people, which produce fine-quality and marketable products; earn more foreign exchange; and enjoy low costs in terms of foreign exchange, can

adopt such encouragement methods whereby they are allowed to retain and submit more profits and carry out more technical innovations if they can make more income. 2) Enterprises with a fairly large growth in their economic efficiency can be ratified by the higher authorities for trial implementation of accelerated depreciation. Enterprises which shoulder heavy tasks of technical innovation in conformity with industrial policies can obtain a refund, in terms of depreciation, on the energy and transportation foundation as well as the state's budgetary regulatory foundation which they have submitted to the state. A small number of enterprises will be selected to carry out experiments on the reevaluation of fixed assets and on the retention of depreciation on replacement value. 3) Enterprises should be allowed to retain a proportionate amount of new product development foundation. 4) Appropriate adjustments should be made on the interest rates of fixed asset loans. 5) Approval for issuing a certain amount of bonds should be granted to those enterprises which shoulder heavy tasks of technical innovation, enjoy guaranteed sales, and have the ability to repay their debts resulting from fund shortages after they have submitted income tax. 6) Upon approval by relevant departments, enterprises run with foreign capital can be accepted as shareholders and foreign investment can also be directly utilized in technical transformation.

—Vigorous efforts should be made to step up the rational flow and structural readjustment of production factors. Such flow can be achieved in varied forms, including: Not only by a one-way flow of equipment and personnel but also by auctioning small enterprises; one enterprise contracting, leasing, and annexing another; lateral coalition between enterprises; and buying and holding shares.

—It is necessary to earnestly promote lateral economic coalition between enterprises and organize and develop enterprise groups with large-scale backbone enterprises as the core. Strides should be taken to break down barriers between the higher and lower levels and between different departments and regions; through promoting lateral economic coalition and diversified economic and technical cooperation, set up an optimum combination of funds, equipment, and talents; and organize and establish a number of new enterprise groups, especially large-scale transdepartmental and transregional ones. In line with the State Council's call to concentrate efforts on 100 large-scale enterprise groups under experiment, strides will be made to enable the core enterprises of such groups to exercise a unified control over the main aspects of member enterprises at the close level [jin mi ceng 4868 1378 1461], including their supply, production, and marketing of products and their labor arrangements, finances, and materials. Greater autonomy should be granted to the aforementioned enterprise groups. When conditions exist, group companies should be ratified to: Establish financial companies; apply for the right to be engaged in exports on their own; and to

be listed in the state plan or in the plans of management departments of various trades. Vigorous efforts should be made to open up a new road whereby group companies are responsible for financial contracting and bank credit applications, to fulfill development programs and promote the development of new products and technologies in a unified way.

—It is necessary to: Summarize experience gained by pilot enterprises in "separating tax from profits, repaying loans, and entering contracts after tax;" further improve experimental methods; and gradually expand the scope of experiments.

—Experiments on share systems with public ownership as the main body should continue to be carried out in a steady way and different types of share systems should be dealt with in different ways. Vigorous efforts will be made to: 1) Practice a share system whereby shareholders are legal persons; 2) Improve and standardize experiments currently under way on a share system whereby shares are held by workers and staff members of enterprises; and 3) Carry out comprehensive experiments in Shanghai and Shenzhen on a share system whereby shares are issued to the public.

Reforms in Other Fields Should Also Be Carried Out in a Vigorous and Stable Way

To invigorate large and medium enterprises owned by the whole people, the necessary macromanagement conditions should be created in such fields as finance, taxation, credits, and the planned system of investment.

—Under the prerequisite of controlling the loan ceiling, efforts should be made to activate finances to promote the development of production. It is necessary to regulate the currency supply volume by making more use of such means as basic currency, reserve rates, and interest rates. The proportions of discount on notes and secured loans should be expanded, while reducing the proportion of credit loans. Vigorous efforts should be made to promote and improve the funds lending and borrowing market and the security and foreign exchange regulation markets. Under the guidance of people's banks, and under the prerequisite of not breaking the credit ceiling, the lateral accommodation of loan capital among specialized banks at the provincial and city levels should be strengthened, to balance surplus with deficit among regional specialized banks and to support enterprises in carrying out structural transformation and technical innovation. Upon approval by relevant departments, some large and medium enterprises can sell bonds with floating interest rates in the security market and develop various tools and methods of financing, including stocks, housing deposits, old-age insurance foundations, and entrusted investment. Upon approval, security exchanges can be established in big cities where conditions permit studying and formulating a set of management rules and regulations for security markets, which conform to China's national conditions.

While clearing up "triangular debts," efforts should be made to quicken the pace of popularizing the use of commercial credit bills.

—Efforts should be made to perfect the overall rationing system in financial departments and to ease the pressure on balanced finances. It is necessary to: Act in line with the principle of "stabilizing purchases, curtailing sales, readjusting prices, and practicing a complete rationing system;" push forward reform of the grain purchasing and sales system in a steady way; gradually reduce financial subsidies; and to ease the burden on financial departments. A regulatory tax should be levied on the investment orientation of fixed assets. The work of tax collection and management should be intensified and a system of levies established on dispatch lists [fa huo piao zhu shui zhi du 4099 6303 4384 3137 4451 0455 1653] to appropriately take back management authority on tax exemption previously granted to lower levels, exercise strict control over tax exemption, and strive to increase financial revenue.

—More relaxed and flexible market conditions should be created to invigorate large and medium enterprises owned by the whole people. The distribution and allocation plans for mandatory materials should be reduced and greater focused autonomy given to enterprises to enable them to sell products through their own channels, especially the right of sales concerning their newly added production capacity. Vigorous efforts should be made to encourage and promote the various forms of lateral coalition between the production, supply, and marketing of products, such as associated operations, purchases, and sales. Efforts should be made to gradually adopt a number of new purchasing and marketing methods, whereby the state orders the goods; organizes and suits production to demand; supplies rationed materials at selected points at unfixed prices; and provides secured long-term contracts. Reform should be carried out on order-placing meetings by establishing standardized material exchanges. The first step we should take is to select some varieties of goods as breakthrough points and try to work out rules and regulations to attain a stable purchase-market relationship among such goods at fixed places in selected cities, to enable these cities to become commercial and information exchange centers. In line with the principle of voluntary participation and mutual benefit, strides should be taken to: Break down barriers between the higher and lower levels and between different departments and regions; promote commercial and material enterprise groups; vigorously step up the distribution, circulation, processing, information service, and investment development of commodities and materials; and to provide better services to processing enterprises and those engaged in the production of raw and semi-finished materials. We should restrain from wantonly taking back powers which have already been granted to wholesale enterprises at all levels. Continued efforts should be made to perfect and develop various kinds of consumer goods and means of production markets.

On the foreign trade front, starting with the establishment of a mechanism for assuming exclusive responsibility for profits and losses, it is necessary to put into practice and continuously perfect the contracted management responsibility system; integrate foreign trade policies; improve the methods of sharing foreign exchange earnings; improve the planning, quota, and license systems for exported commodities; and do a good job in running the foreign exchange regulation market.

—Reform of the circulation structure of agricultural products should be vigorously promoted. Continued efforts should be taken to uphold the principle of coexistence of multiple economic sectors, diversified operational methods, and varied business channels; and greater autonomy should be given to grass-roots enterprises in the circulation field, to step up the circulation of agricultural products.

—Price reform should be carried out in an earnest and steady way. Focus should be placed on alleviating contradictions arising from the low state prices of some basic products, such as energy, and on further relaxation of control over the prices of some commodities which are produced by large numbers of factories. A faster replacement of the older generation by the new ones should be allowed and a generally balanced market supply and demand will be enjoyed. As regards those commodities over which the control on prices was relaxed in previous years, but management on limiting prices, price differences, and the system of markup and declaration has been reimposed over the past two years, administrative management should generally be abolished when conditions permit, with the exception of isolated varieties, to give the widest possible play to the regulatory role of market. The right granted to enterprises to determine the prices of their own products should be put into effect in real terms. While carrying out the "quality, variety, and efficiency year" activity, efforts should be taken to adopt policies on fine quality and preferential prices. It is also necessary to rectify the "double-track system" on the prices of the means of production and those qualified can be included in the system.

—Labor system reform should be deepened in coordination with readjustments on industrial and enterprise organizational structures. Continued efforts should be made to persistently uphold the employment principle of the "three-in-one combination," adopt various channels, and broaden the opportunities of and ease the pressure on employment. The system of labor contract should be further improved and qualified cities and enterprises owned by the whole people should be selected to carry out experiments on the all-personnel labor contract system. It is necessary to optimize labor combinations and help surplus personnel settle down within enterprises in varied ways.

—Social insurance system reform, especially the old-age and job-awaiting insurance systems, should be carried out in an earnest way. Some provinces and cities, including Jiangxi, Guangdong, Shanghai, Dalian, and Qingdao,

have been selected to conduct experiments on the comprehensive reform on the old-age insurance system throughout the entire provinces (cities). Social control over staff retirement pension in township and town collectively-owned enterprises should also be pushed forward vigorously. In some well-off rural areas in such provinces as Shandong and Liaoning, a peasants' old-age insurance system in the form of a savings deposit foundation should be popularized, relying mainly on individual savings and making collective allowance subsidiary. Experiments on an old-age insurance system combining a savings deposit foundation with a mutual aid foundation should be carried out among the workers and staff members of the three kinds of partially or wholly foreign-owned enterprises and privately-owned enterprises, as well as among individual industrial and commercial households. The scope of experiments on the job-awaiting insurance system should be expanded. That is, the job-awaiting insurance system should be mainly intended for all workers and staff members of enterprises owned by the whole people and this system will be gradually set up in enterprises under other ownerships. Experiments on the comprehensive reform on the social insurance system should start in real terms in special economic zones, such as Hainan and Shenzhen.

- It is necessary to expedite township and town residential housing system reform so as to guide consumption in a reasonable way, step up readjustment of the industrial structure, and fundamentally broaden the market capacity. All provinces, autonomous prefectures, and municipals should adopt varied means and select several cities (counties) to conduct experiments on the comprehensive reform of their residential housing systems. Earnest efforts should be made to summarize experience and to consolidate, perfect, and deepen experiments on housing reform in such cities as Yantai, Tangshan, and Bengbu.
- Rural reform should be deepened. Strides should be taken to stabilize and perfect the contract responsibility system on a household basis with remuneration linked to output; promote the socialized service system; and improve the two-tier operation system with a combination of centralization and decentralization.

Leadership Over and Comprehensive Coordination of Reform Should Be Strengthened

This year's economic structural reform tasks are extremely arduous. To ensure smooth implementation of various major reform measures and prevent disconnected policies from appearing, various departments and regions should earnestly strengthen leadership over reform; inspire reform enthusiasm; regard difficulties encountered during the course of economic development as foci for reform; and use reform to bring about development by finding ways to overcome difficulties in the practice of reform. All localities should, in line with the general policies and principles established by the central authorities, suit measures to local conditions; give guidance to different types of areas; refrain from practicing

"rigid uniformity;" and push forward reform in a down-to-earth manner. Various newly adopted major reform measures should generally pass tests before they can be popularized on the basis of past experience.

Infrastructure in coastal open areas has taken an initial shape. Current focus should be placed on creating a sound and soft environment for investment, reducing links involving examination and approval, and enhancing work efficiency to create a stable development in the export-oriented economy in coastal open areas. Efforts should be made to coordinate economic relations between coastal open areas and their neighboring areas and to ease conditions between coastal and inland areas in the fields of capital, markets, and the supply of some raw and semi-finished materials. The five Special Economic Zones of Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan, as well as two comprehensive reform and opening up experimental zones in Guangdong and Fujian, should exert themselves in carrying out experiments on comprehensive reform at a deeper level and start off, ahead of others, to establish economic management and economic operating mechanisms for commodities, relying mainly on control and regulation. Vigorous efforts should be expended making a good start in the development and opening up of Shanghai's Pudong New District. In special economic zones, and coastal economic and technological development zones where the conditions exist, a good job should continue to be done in experiments on bonded industrial zones and warehouses.

Areas inhabited by minority nationalities in frontier regions should continue to make full and sound use of various policies granted by central authorities; give full play to their superiorities in natural resources and location; vigorously introduce foreign investment and step up cooperation with other places in the country; promote border trade; and strive to find a road of opening to both other places in China and the outside world, which suits the special characteristics of border areas.

Vigorous efforts should be made to implement Document No. 4 (1991) issued by the State Council General Office to strengthen the comprehensive coordination roles of various major reform measures. At present, under the leadership of provincial and city party committees and governments, organs for restructuring the economy in some provinces and cities have implemented the spirit of Document No. 4 (1991) and given fairly good play to the coordination role of major reform measures. Other provinces and autonomous prefectures should use such good experience as reference in their efforts to vigorously open up a new prospect in reform.

Departments involved in economic restructuring at all levels should accord themselves with the current situation and tasks of reform; strive to obtain guidance from party committees and governments on their own initiative; further strengthen the self-building of ideology, discipline, and work style; and bring up a politically and professionally qualified contingent of economic structural reformers who are determined to carry out reform

and rejuvenate China and who can act as good advisers and assistants to party committees and governments in a down-to-earth manner.

Commentator Discusses Town, Township Enterprises

HK1205054891 Beijing RENMIN RIBAO in Chinese

7 May 91 p 2

[Commentator's article: "Have Correct Understanding About Strategic Position of Township and Town Enterprises"]

[Text] Township and town enterprises developed vigorously during the Seventh Five-Year Plan. Over the past two years or so, despite the grim market situation, township and town enterprises have not ceased developing. This once again reflects their strong vitality. At present, when China's modernization drive begins to march toward the second-step strategic objectives, we must gain a full understanding of the strategic position of township and town enterprises in our economic and social development. This is a matter of great importance.

The development of township and town enterprises is the only way to promote rural economic development. On this question, people have already gained a common understanding. In the past five years, the net increase of the output value of township and town enterprises made up 67 percent of the net increase of the total product of society in rural areas. Township and town enterprises invested a total of 45 billion yuan in various rural construction projects, 27 billion yuan was directly used for building and subsidizing agricultural projects. Last year, a total of 120 billion yuan was paid to peasants as wages. Thanks to the support of township and town enterprises, in those areas where township and town enterprises are well developed, the countryside is rich, the peasants are rich, and the growth rate of the per-mu yield of crops, especially of grains, is much higher than the areas where township and town enterprises are weak. Without doubt, township and town enterprises have become an important pillar of China's rural economy.

Not only in the countryside, but also in the entire national economy, township and town enterprises occupy a very important position. Here are some facts to prove this: During the Seventh Five-Year Plan, the increases achieved by township and town enterprises made up 31.5 percent of the increase of the total production, 37.7 percent of the net increase of total industrial output value, 28 percent of the net increase of foreign exchange earned by the whole nation, and 57.6 percent of the net increase of the number of employees. Their income also made up a big proportion of the national revenue. Township and town enterprises are occupying a more important position in the entire national economy. In 1990, their output value already made up one fourth of the nation's total product of society and one third of the total industrial output value. Their profits and taxes reached more than 100 billion yuan. What merits more attention is that in 1990, when a slow upturn was

achieved in industrial production, township and town enterprises gained a much quicker upturn, which increased the national industrial growth rate by nearly 3 percent to reach the planned annual target. It became an important factor for stabilizing the overall economic situation. Now we can say that township and town enterprises are an important propelling force of the national economy. They are indispensable and irreplaceable. Without the vigorous development of township and town enterprises, the strategic objectives for the first step of China's modernization drive could not have been attained and there could not have been a sustained and steady economic growth.

The important position of township and town enterprises in China's economy can also be seen from the fact that in the course of reform and opening up to the outside world, they have been developing in a direction of independent operation, assuming sole responsibility for their profits and losses, self-restraint, self-regulation, and self-accumulation in accordance with the principle of integrating the planned economy with market regulation and have been implementing the principle of more pay for more work and many other effective reform measures. There are no "iron rice bowls" in township and town enterprises. Failure means bankruptcy. In the past two years or so, more than 600,000 township and town enterprises closed down, ceased production, or merged with other enterprises. They will go bankrupt if they do not promote production. This is the fundamental reason why the township and town enterprises are able to suit the rapidly changing markets better than other enterprises. Their successful experience will certainly attract greater attention in the future, when enterprise reform in the cities is further deepened.

The Eighth Five-Year Plan period and the next decade will be a crucial period for China's modernization drive. Judging from current developments, township and town enterprises will play an even greater role in the overall economic construction. They will become an important force in agricultural development and rural construction, especially in strengthening the basic facilities for agricultural production and improving the socialized service system. The proportion of output value of township and town enterprises in the total product of society will be further increased, and their relationship with the big industries in the cities, which is characterized by mutual aid and promotion, will further rationalize the allocation and effective use of resources and promote the rational and harmonious development of both urban and rural economies. At present, about 85 percent of the output value of township and town enterprises is used to make up for the deficiencies of urban industries according to market guidance. In many areas, direct relations have been established between township and town enterprises and urban industries, so that they can support and supplement each other and develop together.

Moreover, township and town enterprises will also play an increasing role in many other fields, such as in optimizing the rural industrial structure, increasing

national revenues, promoting foreign trade and exports, employing surplus labor, promoting the development of cities and towns and the building of spiritual civilization in rural areas, consolidating worker-peasant alliance and grass-roots powers, and reducing differences between town and country.

Due to the problems accumulated over the past and the new problems which have emerged in the course of economic rectification and improvement, township and town enterprises are still faced with many problems and difficulties in their development, which should not be neglected. For example, the problems of low economic returns, excessive social loads, insufficient self-accumulation, outdated equipment and technologies, and the low level of management should all be gradually solved. The national conference on township and town enterprises work, which was held in January this year, forwarded a policy of laying equal stress on the intensive and extensive development of township and town enterprises, stabilizing policies, and deepening reforms during the Eighth Five-Year Plan period and the policy of improving quality and increasing efficiency. These are the policies for overcoming the above-mentioned weak points, which should be effectively implemented in practical work.

Generally speaking, in township and town enterprises, fund input is replaced by intensive labor input. This is a realistic choice in light of China's concrete situation, that is, the situation of backward technology, shortage of funds, and the surplus and low-quality labor. We must also attach importance to the shortcomings of township and town enterprises, which have appeared in their development, and make an objective and historical analysis of these shortcomings. We must enthusiastically encourage, guide, and help them to overcome their shortcomings. If we merely find fault with them or even satirize them, we can only dampen their enthusiasm. All economic improvement and rectification measures must be conducive to the continuous and healthy development of township and town enterprises. We firmly believe that while developing themselves, the township and town enterprises will surely be able to render greater contributions to the realization of the strategic objectives for the second-step of our national economic development.

Rural Enterprises Enter New Period of Growth

OW1405080691 Beijing XINHUA in English
0638 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Incomplete statistics show that in the first quarter of this year, the output value of China's rural enterprises totalled 197 billion yuan, a 23.7 percent increase over the same period last year.

During the January to March period, the country's rural enterprises exported 9.5 billion yuan-worth of products, registering a 38 percent increase over the same period in 1990, the overseas edition of the "PEOPLE'S DAILY" reported today.

According to the paper, rural enterprises achieved an output value of 6.3 billion yuan in April, 25 percent more than April last year and a 12.2 percent increase over March this year.

The Ministry of Agriculture's statistics show that rural enterprises are recovering from the sluggish market and their economic efficiency is improving. In the first three months this year, the income of the rural enterprises was 25 percent more than that of the same period in 1990. Meanwhile, the profits they generated rose by 22.3 percent over the first quarter of 1990, and the taxes they turned over to the state increased by 26.8 percent, the paper said.

Problems in Developing Rural Market Examined

HK1305031991 Beijing JINGJI RIBAO in Chinese
20 Apr 91 p 3

[Article by Development Research Center of the State Council: "Some Questions on Developing Rural Market"]

[Text]

I. Basic Conditions of the Current Rural Market

Market sluggishness is a common phenomenon that appeared all over the country after the summer of 1989. It should be said that the sluggishness that surfaced at this time was inevitable. This inevitability stemmed primarily from two aspects: First was that the several instances of panic-buying of durable consumer goods and of certain basic necessities across the country in 1988 exhausted part of the people's purchasing power; second was that after the introduction of the policy of economic improvement and rectification, the central authorities implemented two major measures in terms of macroeconomic control, that is, the suppression of the scope of capital construction and the tightening of control over expenditures. While they undoubtedly were effective in reducing total demand and supply in society and in curbing the inflation rate, they also led to a relative decline in the scope of construction and to a relative drop in the rate of production growth, the result of which was a certain degree of check on the demand and supply in production, as well as in daily living. Affected by these two phenomena, the rural market fell into a definite slump.

Compared with the urban market, the abnormal factors in the current rural market became more prominent and were manifested primarily in the following three aspects:

(1) After more than a year of continuous decline in the value of retail sales in the rural areas, a rally was registered in October last year, but the momentum was weak and no real breakout from the dilemma has been made yet. Starting in June last year, the retail market began to come out of its negative growth situation as retail sales of consumer goods started to rise at an average monthly rate of roughly 1.6 percent. By the third quarter of last year, the retail market for consumer goods

in urban areas already had reversed the negative growth registered in sales and had begun to develop in a normal direction. However, the negative growth registered in the value of retail sales in the rural areas had yet to be reversed by the end of September. The value of retail sales of consumer goods at county and town level from January to September last year was 5 percent lower than that of the same period the previous year, with retail sales in September 0.8 percent lower than that of the previous year. Below county level, the value of retail sales of consumer goods from January to September last year was 5.2 percent lower than that of the same period the previous year, with the September figure 2.4 percent lower than that of the previous year. While some changes were noted in October, the value of retail sales of consumer goods at and below county level from January to October still fell by 4.3 percent. The value of retail sales of the means of farm production for the first three quarters of 1990 was 230 million yuan higher than that of the same period the previous year but this was only an increase of 0.3 percent, and in fact, would register negative growth once the commodity price factor was deducted. Therefore, while market sales in urban areas registered positive growth for the first three quarters of last year, looking at the total value of retail sales in society, retail sales for the first three quarters were still 0.6 percent lower than that of the same period the previous year. This negative growth effectively was brought about by the serious slump in the rural market.

(2) In the rural areas, the slump in the market for farm products is worse than the slump in the market for consumer goods. The rural market embraces two aspects, that is, the market for industrial goods and the market for farm products. And the peasants possess a dual status in the rural market, that is, as purchaser of industrial goods and as seller of farm products. Consequently, when we analyze the rural market, we should analyze these two aspects of the rural market, as well as the dual status of the peasants in the rural market.

The year 1990 was one of overall bumper harvests in agricultural production, notably in plantation production. In particular, the spectacular increase in total grain production was unexpected. However, owing to the irrational purchasing, marketing, and price systems concerning large-volume farm products, the series of links involving purchasing, marketing, coordination, and stockpiling could not cope with the bumper harvest, leading to a serious blockade in the channel for circulation and a fairly great fluctuation in the market prices of large-volume farm products. The most outstanding problem was the dramatic decline in the market prices of grain and live pigs. In the first half of last year, the overall index of the purchase prices of farm and supplementary products was 4.3 percentage points lower than that of the same period the previous year. In particular, the drop in market prices was especially great, with grain prices at country markets 20 to 30 percentage points lower than that of the same period the previous year, and meat prices 10 percentage points lower. In the same

period, the index of the sales prices of the means of farm production rose by 7.6 percentage points over that of the same period the previous year, while the retail price index of industrial consumer goods in rural areas rose by four percentage points over that of the same period the previous year. Such contradictory movement in the prices of industrial goods and farm products in the rural market caused the peasants to have increased expenditures and lower income. According to estimates by relevant departments of the Ministry of Commerce, the fall in the purchase prices of farm and supplementary products from January to June last year cost the peasants nearly 6 billion yuan in income losses, while the rise in the prices of industrial goods cost them additional expenditures worth 8.6 billion yuan. A decrease here and an increase there caused the peasants a net income loss of 14.6 billion yuan or 16.2 yuan per person. Owing to the dual status of peasants in the rural market, the rise and fall of the rural market for industrial goods is often the direct outcome of whether or not the market for farm products is robust. It is very hard to imagine that peasants will generously buy industrial goods when their farm products cannot be sold at a good price. After the harvest of last year's summer crops, governments ranging from the central to the local level all exerted great efforts to minimize the price fluctuations of farm products. In particular, the State Council issued relevant documents and adopted two major steps, namely the setting of a protection price for the purchase of grain and the establishment of a special national grain reserve system, which to a certain degree checked the further decline of the market prices for grain. However, factually speaking, the price level for farm products was still much lower than in the past or than that expected by the peasants. This situation not only will cause sluggishness in the rural market for industrial goods, but also will have a detrimental effect on the development of agriculture for some time to come.

(3) The proportion of the value of retail sales in rural areas in the total value of retail sales in society is falling. Another important sign that the problem of market sluggishness is more serious in rural areas than in urban areas is the obvious decline in the proportion of the value of retail sales in rural areas in the total value of retail sales in society. From 1953 to 1978, the proportion of the value of rural retail sales in the total value of retail sales in society was always below 54 percent. Since the introduction of rural reform in 1979, the proportion of the value of retail sales in rural areas went up visibly, reaching 59.2 percent in 1984. In the next few years the ratio fell slightly, hitting 56.4 percent in 1989. In other words, the proportion of the value of retail sales in rural areas during these five years dropped by 2.8 percentage points. However, from January to September last year, the proportion of the value of retail sales in rural areas fell to 53.8 percent, lower than the 1978 level. During these nine months, the rate of decline in the proportion of the value of retail sales in rural areas was 2.6 percentage points or the sum of the rate of decline in the past five years. If the value of the retail sale of the means

of farm production is deducted, the proportion of the value of consumer goods retail sales in rural areas in the total value of consumer goods retail sales in society between 1982 to 1988 was always above 50 percent, with the highest proportion reaching 53 percent in 1985. However, from January to September last year, this proportion dropped to 46.4 percent and is 2.2 percentage points lower than the 48.6 percent registered in the same period the previous year. Since three quarters of our population lives in the rural areas, changes in the rural market will have a visible effect on the existing state of the market in society.

II. The Principal Reasons for Rural Market Sluggishness

There are three main reasons for the sluggishness of the rural market: The first and most important reason is the decline in the level of the peasants' real income; second is the disruptions in the circulation of farm products; and third is the failure of the structure of industrial goods supplied to the rural areas to meet the daily living, production, and consumption needs of the peasants.

The decline in the level of the peasants' real income already had begun in 1989. While the peasants' per capita net income for this year was nominally 20.4 percent higher than that of the previous year, it effectively fell by 1.7 percent over that of the previous year after deducting the price factors. This was the first time in the 10 years since rural reform was introduced in 1979 that the real income of peasants had dropped. According to a survey conducted by the state rural investigative team in 29 provinces, autonomous regions, and municipalities, from January to September last year the per capita cash income (not including saved cash income) of peasants was 447 yuan, a 1.1 percent increase over that of the same period in 1989, but a 3.7 percent real decrease if price increases are taken into account. Looking at the situation for the entire year 1990, the per capita net income of peasants was 1 percent higher than in 1989. In effect, the peasants' net income was in a state of stagnation, but this was only an average figure from across the country; in fact, in many places the per capita net income of peasants has fallen. In areas where the rise in grain production was insignificant, the per capita net income of peasants has continued to fall.

There are three main reasons for the drop in peasants' real income. One is the popular decline in the prices of farm and supplementary products. Two is drop in the cash income from secondary and tertiary industries managed by the households. Three is the shift from dramatic increases in the past to declines or breaking even in terms of income from town and township enterprises. Looking at the income generated by peasants in the sale of various kinds of products in the first half of last year, aside from the slight increase in the income from sale of plantation products as compared with that of the same period the previous year, the income generated by the peasants from the sale of other products was lower than that of the same period the previous year.

Looking at the income from the sale of plantation products, the increase in the volume of products sold was not proportionate to the increase in generated income. From January to June of last year, the peasants' per capita sales of grain were 19.8 percent higher than that of the same period the previous year, edible oil sales were 53.8 percent higher, sugar product sales were 24.3 percent higher, vegetable sales were 24.3 percent higher, and fruit sales were 43.9 percent higher, but the income generated from the sale of plantation products was only 16.1 percent higher than that of the same period in 1989. The situation showed that owing to the fall in prices, the net income generated by the peasants from the sale of their units' farm products also dropped visibly.

Town and township enterprises represented a major pillar for the increased income of peasants in recent years. However, in the first half of 1990 the peasants' per capita cash income from town and township enterprises was 1.3 percent lower than that of the same period in 1989. From January to June 1989, the per capita cash income of peasants obtained from town and township enterprises was 32.4 percent higher than that of the same period in 1988. According to investigations conducted by the Ministry of Agriculture's Bureau on Town and Township Enterprises, the number of town and township enterprises in the country in 1989 was 370,000 fewer than in 1988, and it declined a further 796,000 in the first half of 1990. The total reduction for this one and a half years was 1.166 million town and township enterprises. The number of people employed in town and township enterprises in 1989 was 1.70 million less than in 1988, and a decrease of another 4.5 million was registered in the first half of 1990, bringing the total reduction over this one and a half years to 6.2 million people. This undoubtedly caused the peasants to earn less income from town and township enterprises. Furthermore, income from secondary and tertiary industries run by peasant households in the first half of 1990 also fell by 1.2 percent over that of the same period in 1989.

Looking at the changes in the peasants' income in the first three quarters, the pattern of growth in the entire rural economy last year has undergone great changes when compared with those of the previous years. After 1985 the production of basic farm products like grain went through successive years of fluctuation. This obviously was detrimental to the stability and harmonious growth of the national economy, but considering the situation in those years, if one were to look simply at the internal rural economy, the growth rates of the total output values in agriculture as well as in the rural society were not bad at all. From 1985 to 1988, the total output value in agriculture grew at an annual average rate of 4.1 percent, while that of the rural society grew even faster. The reason was that in spite of the less than ideal growth in the production of grain, cotton and edible oil, a fairly high growth rate was maintained in the production of other farm products, in the production in forestry, animal husbandry, supplementary, and fishery industries, as well as in the production of non-farm products.

The result was that even though production of grain, cotton, and edible oil fluctuated, the real income of the peasants continued to grow in a sustained and stable manner, thus ensuring the stable growth of the economy of rural society as a whole. However, it should be pointed out here that the pattern of rural economic growth in the past few years should not be considered ideal because looking at it from different angles, the fluctuation in the production of basic farm products such as grain, cotton, and edible oil cannot be good for the sustained, stable, and harmonious growth of the entire national economy. The reason this question is raised is to emphasize the fact that we should consider the sustained and stable increase of the peasants' income as an important target in the development of the rural economy. Otherwise, the rural economy could experience great fluctuations.

Production of grain, cotton, and edible oil registered an overall increase last year, with the increase in grain production practically unprecedented in history. However, the peasants' per capita net income rose by only 1 percent over that of the same period in 1989. This showed that the increase in agricultural production and the increase in the peasants' income were extremely incompatible.

Stagnation in the real income of the peasants naturally would lead to reduction in their production and living expenditures. According to the survey conducted by the rural investigative team, from January to September last year the peasants' per capita expenditure on production investment was 139 yuan, a 1.3 percent increase over that of the same period in 1989, and a real fall of 5.9 percent after taking into consideration the factors of price increases. For the same period, the peasants' per capita cash expenditure for living consumption was 278.8 yuan, 0.3 percent lower than that of the same period in 1989 and a real decline of 4.3 percent when the price factors are taken into consideration. The drop in all kinds of expenditures by the peasants naturally will bring about a sluggishness in the rural market for industrial goods.

III. Some Ideas on the Resolution of Problems in the Current Rural Market

(1) Strive to increase the peasants' real income and boost their confidence to do so. In order to increase the real income of the peasants at the present time, it is necessary earnestly to do a good job in the following three aspects:

(A) Raise sufficient capital for the purchase of farm and supplementary products in order to ensure that the increased farm products of the peasants will receive their true value. It should be pointed out the party and the government have done a great deal of work in the purchase of grain over the past two years, but owing to restrictions from all areas, the problem of peasants failing to sell all of their grain and to receive cash payment continues to exist, and the blame cannot be put simply on the agricultural banks and the grain departments. We suggest that in terms of macroeconomic regulation and control, it is necessary to expand capital investments in rural areas appropriately in order to ensure sufficient funds for the purchase of farm and

supplementary products. Generally speaking, the supply of and demand for basic farm products in our country is not very loose, while the possibility of fluctuations involving 20 to 30 billion jin of grain is rather high. In addition, the unpredictability of the world situation could cause the world grain market to undergo dramatic ups and downs. Hence, it is extremely necessary to try to store more grain and foodstuffs during harvest time. This not only will increase the peasants' income, but more importantly, it will safeguard our country's grain production capability and prevent major fluctuations in grain production.

(B) Appropriately increase the circulating funds made available to town and township enterprises in order to promote their sound development. Unlike state-run firms, town and township enterprises could go bankrupt if faced with massive overstocking of commodities. Owing to the difference in the mechanism of town and township enterprises, an appropriate increase of circulating funds extended as loans to these enterprises is unlikely to convert these funds into surplus finished products. Hence, at the moment it is possible to keep a tight rein on loans for capital construction and fixed asset investments to town and township enterprises, while at the same time loans for circulating funds may be made more easily available to town and township enterprises with marketable products and excellent economic results. This not only will boost efficient supply and promote the withdrawal of commercial currency, but also could expand peasants' employment opportunities, increase their income, and stimulate the recovery of the rural market.

(C) Realistically do a good job in organizing the provision of work as a form of relief and expand peasants' opportunities for employment and added income. The State Council already has made arrangements to provide work as a form of relief, for both now and in the future. As long as the organization is carried out well, it not only will expand peasants' opportunities for employment and for increased income, but also will have an extremely great effect on improving the production conditions in agriculture. Furthermore, it is necessary seriously to implement relevant documents from the State Council and earnestly reduce unreasonable burdens on peasants. This is also an important measure designed to increase the peasants' income and the key to the current issue lies in its serious implementation.

(2) Facilitate the flow of goods in the rural areas, highlight the pivotal role of the main channels of circulation, give full play to the flexibility of various channels, and invigorate the rural market. In recent years, the commercial network points in the rural areas have declined for various reasons. Comparing 1989 with 1988, except for the fact that the network points [wang dian 4986 7820] of state-run businesses and of supply and marketing cooperatives generally were even, the network points of other entities, that is, the collectively owned network points of nonsupply and marketing cooperatives, the network points of joint households and of individual households have fell by 12.5 percent, while the number of their employees decreased by 9.2 percent. Naturally,

these reductions are connected primarily to the sluggishness of the market, but they also are caused in part by the people's ignorance of the rural economic policy. Therefore, we should continue to do a good job in publicizing and explaining the basic policy for rural areas, and encourage legitimate operations by all sectors of the economy in order to expand the commercial network points in the rural areas and invigorate the rural market.

(3) Readjust the commodity composition to meet peasants' changing needs. Goods supplied to the rural areas should take into full consideration the difference between urban and rural residents in terms of the structure of consumer demands, otherwise it will be difficult to develop the market in the rural areas. In recent years some concerned departments and enterprises have not given full consideration to this matter in the course of upgrading the production of consumer goods. It is suggested that concerned departments and industrial-commercial enterprises conduct intensive investigation and study of the consumption pattern of peasants, understand the psychology behind their consumption pattern, get a good grasp of the differences in living conditions between urban and rural residents, and thus organize more factories into integrating the readjustment of their commodity composition and manufacturing industrial goods welcomed by peasants.

In short, as long as we steadfastly adhere to the policy of reform and opening up; stabilize the party's basic policy in rural areas; get an earnest grasp on the work in the three links to increase the peasants' income, facilitate the flow of commodities in rural areas, and readjust the commodity composition put into the rural market; the recovery of the rural market definitely will be achieved.

Editorial Examines Grain Price Increase

HK1405023191 Hong Kong WEN WEI PO in Chinese
4 May 91 p 2

[Editorial: "Important Measure for China's Price Reform"]

[Text] On 1 May, the prices of grain and edible oils in state-run grain shops in China's urban areas were raised. This is the first time in the past 30 years that the prices of grain and oils for urban residents have been raised in the mainland. It reflects a number of features of the deepening of China's economic restructuring, especially the price reform, and is worthy of attention.

Some 500 million of China's 1.1 billion people are urban residents. The grain and edible oils for this portion of the population (equal to the combined population of the Soviet Union and the United States) are supplied under state rationing in the form of commodities at very low prices. The disparity between the buying and selling prices of grain and oils is subsidized by the state. Before the reform and opening up got under way, urban residents in China basically lived with low income and low expenditure. The state was used to subsidizing grain and oils, and this practice eventually came to be institutionalized.

The reform and opening up in the past dozen years have greatly promoted the development of China's productive forces and significantly changed the situation wherein the state had to subsidize the sale of grain and oils. The first feature is the drastic growth of the urban population. In 1978, China's urban population was over 170 million, making up 17.9 percent of the total population. In 1988, 10 years later, the urban population had increased to 540 million and its proportion in the total population had also risen to 49.6 percent. On the one hand, it reflected the rapidity of the economic and social modernization process in that 10 years, and on the other, it brought severe strains on state expenditure. The reason is very simple: The bigger the urban population, the more the commodity grain needed, and the more the state has to pay as subsidy.

Before the prices were raised, the state paid an average of 0.6 yuan (Renminbi, similarly hereafter) for each kg of grain purchased from the peasants, but sold it to urban residents at 0.28 yuan. The purchase price of edible oils was 4.28 yuan per kg, but the selling price was a mere 1.6 yuan. To make up for the disparities, the state had to provide subsidies of as much as 40 billion yuan each year.

The reform and opening up have raised the income of all urban residents quickly. In urban areas, living standards have improved, and the proportion of nonstaple foodstuffs, dairy products, and fruits in the food structure has gone up while that of grain has gone down. Therefore, although the grain rationing system for residents remains unchanged, many families have surplus grain coupons. In many areas, grain coupons have become virtually negotiable securities: Dealers buy grain coupons at a low price and grain and oils from state-run grain shops at normal prices, and then sell them on the market at higher prices to those who cannot buy grain from the grain shops, such as workmen from other places. The profit thus made actually comes from the state treasury.

This shows that on the one hand, the state keeps increasing the subsidy, and on the other, some of the expenditure to this end is irrationally and illegally transferred into the possession of a handful of people. The grain subsidy for the urban population is an important factor behind the increase in the national deficit in recent years.

At the same time, as far as prices are concerned, the problem of inverted grain and oil prices (i.e. the state buys dear and sells cheap) is playing an ever-growing negative role in the entire pricing system. As long as this problem remains unresolved, there is no way that prices can be disentangled from the present disorder. Furthermore, the urgency and necessity of price restructuring, which is central to the economic restructuring, cannot be evaded.

For urban residents, as they have been used to unchanged grain prices for 30 years, there is a problem of being psychologically prepared for the new prices of grain and oils. Therefore, we should not make any hasty attempt to accomplish at one stroke the important task

of raising the prices of grain and oils, which concerns every family. Instead, we must gradually create conditions for this purpose, and adjust the prices in a firm and measured way when the opportunity arises.

In recent years, the mainland of China has been blessed with good agricultural harvests, an abundant store of grain, stable commodity prices, a prosperous market, and social stability. This is an appropriate time for adjusting the prices of grain and oils. The preparatory measures the authorities took prior to the price adjustment were sufficient and effective. These measures included advance notice to prepare the public psychologically and timely replenishment of the grain supply to cope with possible panic buying before prices were raised. The new prices of grain and oils have been in effect for three days now, and the urban residents in various places have reacted in a reasonable way without making any trouble.

The rate of increase in the prices of grain and oils this time is middling. Though not a thorough solution to the inversion of grain prices, nevertheless it is the biggest feasible reform step at the present stage when the overall situation is considered. Price reform has an extensive impact throughout society, and therefore "shoulders heavy responsibility" in economic restructuring as a whole. The authorities concerned should be watchful of the limits of price adjustment and deepen the reform on this basis. Meanwhile, they should guard against other departments taking advantage of the chance to increase the prices of other commodities, so as to maintain the stability of the reform environment.

Hu Ping Discusses Reforming Grain Circulation

OW1205121391 Beijing Central People's Radio Network in Mandarin 0930 GMT 11 May 91

[From the "National Hookup" program]

[Text] At the national conference for exchanging experience in reforming the grain circulation system, which was held in Tianjin on 11 May, Commerce Minister Hu Ping said: We should actively promote steady reform of the grain circulation system, gradually end the long-standing irrational situations and problems, and increase the ability of state-owned grain enterprises to manage themselves and make improvements.

The main objectives of the meeting, which was sponsored jointly by the State Commission for Restructuring the Economy, the Ministry of Finance, and the Ministry of Commerce, are to sum up experiences in reforming the grain circulation system in China over the past few years and to explore ways of conducting structural reform in the future.

Speaking at the meeting, Gao Shangquan, vice minister in charge of the State Commission for Restructuring the Economy, said: Despite reform measures adopted by the state, on the whole, relationships among the various

links in grain circulation have yet to be straightened out. Therefore, reform must continue.

Gao Shangquan said: Keeping China's general conditions in mind, we should reform the grain circulation system according to the principle of combining the planned economy and market regulation, and provide more effective guidance for planning grain production and consumption. In particular, the planned supply of grain rations to residents is indispensable, but this does not mean that the state should take over all these tasks. Grain in excess of the quantity specified in state grain purchase plan should be allowed to circulate through different channels. The government and grain departments should actively support this type of circulation, protect it according to the law, remove all forms of barriers and blockades, and promote the development of a unified grain market.

In the future, reforms in state-owned grain enterprises should be carried out by separating the responsibilities and functions of the government and the enterprise, and by distinguishing between policy-regulated and ordinary business operations. It is necessary to straighten out economic relationships among the sectors within grain departments, such as sectors responsible for procurement, sales, delivery, storage, and processing, so that the majority of grain enterprises gradually will come to operate independently, bear responsibility for their own profits and losses, make progress on their own, and exercise self-restraint.

Grain, Cooking Oil Price Adjustments Explained

HK1405091691 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 6 May 91 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "China Readjusts Unified Selling Prices of Grain, Cooking Oil"]

[Text] My brother:

Recently, the State Council decided to raise the unified selling prices of food grain and cooking oil. You may have known about this. As I know, this measure was in the pipeline for several years before it was eventually adopted because the recent situation provided an opportune moment for its adoption.

You may have known about the ration supply of grain and cooking oil for residents on the mainland for a long time. In the past, the ration system played an important role in guaranteeing basic daily necessities for urban residents, but the situation changed greatly after reform and opening up. In order to arouse the peasants' production enthusiasm, the state substantially raised the purchasing prices of grain and cooking oil several times, but in order to ensure the stability of the urban residents' livelihood, the state did not adjust the prices of the grain and cooking oil rations for urban residents. This made the purchasing prices much higher than the selling prices, and the state had to allocate its financial resources to make up the difference and the operational overheads of the commercial institutions

dealing in grain and cooking oil. If the gap was not too wide, the state still would have the capacity to bear the subsidies; the problem was that the gap had become amazingly wide. At present, the average price offered by the state to purchase wheat flour, rice, and corn from peasants is nearly 0.3 yuan per 500 grams, but such cereals are sold to urban residents at the price of slightly more than 0.14 yuan per 500 grams. The purchase price is more than double the selling price. If the overheads of the commercial institutions are included, the state actually has to provide a subsidy of about 0.3 yuan for each 500 grams of grain purchased by urban residents. The subsidy rate for cooking oil is even greater.

With the increases in grain purchase prices and operational overheads, the state also had to increase subsidies for grain and cooking oil with each passing year. The total amount of such subsidies increased from 3.6 billion yuan in 1978 to 10.8 billion yuan in 1980, and to as high as 40 billion yuan in 1990. In addition, owing to the abnormal disparity between the purchase and selling prices, the grain and cooking oil expenses paid by urban residents were much lower than the same expenses paid by some peasants who did not produce grain and cooking oil and needed to buy such goods from the state. This, in fact, was unfair for those peasants. If this situation had remained unchanged over a long time, the urban-rural contradiction would have been sharpened and would not have been mitigated. That the grain price remained at too low a level also was extremely unfavorable for the effort to economize on grain. For a large country such as ours, with a huge population and relatively scant resources, the waste of resources is intolerable. Therefore, the reform of the grain purchasing and selling system is inevitable.

Such reform, in fact, always has been tested. In 1985, the state put forward the general guideline of "stabilizing one block and enlivening another block" for reforming the grain purchasing and selling system. Economists and various economic departments concerned also worked out many concrete schemes and put them into practice. Throughout the country, 14 rural reform experiment zones in succession were set up. Among them, Henan's Xinxiang and Guangxi's Yulin were designated to carry out the experiment in the reform of the grain purchasing and selling system. By 1990, except for the price of grain rations for urban residents, the grain supplied for the military services, and for relief purposes remained at the fixed level, and the price of grain supplied for commercial, catering, and alcohol-making industries all had been decontrolled. As for the concrete steps, the state adopted a decentralizing policy, and allowed various provinces and municipalities to decide on their own the scope and timing for decontrolling the grain price according to their specific conditions. Therefore, no serious shocks were caused to the entire country. After the grain price was decontrolled, the peasants' production enthusiasm was boosted further, and the local governments also lessened the financial burdens they had to shoulder for offering subsidies. In addition, the available variety of grain and cooking oil was enriched greatly, and the

quantity in supply also was increased greatly. All this showed that the orientation of the reform was correct.

Therefore, the recent adjustment of the unified selling prices of grain and cooking oil was just the extension of the entire reform of the grain and cooking oil purchasing and selling system. It also was a rather opportune moment for taking this step. First, good harvests were reaped in the last few years, and there was adequate grain in the granaries and the supply was guaranteed. Second, through economic improvement and rectification in the past few years, inflation was curbed, and there was greater room for maneuver in making the price adjustment. Third, the reform practice and propaganda over many years had strengthened the psychological bearing capacity of the masses for a price adjustment. Fourth, as the income of the masses continuously rose, they obtained a certain bearing capacity in reality; moreover, the state granted appropriate price allowances to most low-income government functionaries to cover their additional living expenses caused by the price adjustment.

Therefore, although the prices were raised by a substantial margin this time, no serious shock was caused to society. In some localities, including Beijing, people lined up to buy grain. This was a natural phenomenon. Even some foreign correspondents in Beijing acknowledged that society as a whole remained rather tranquil. Therefore, the price adjustment also showed that as long as the measure was proper and the timing was opportune, and as long as the measure was clearly explained to the public, it would not be too hard to pass through the critical juncture of reforming the grain and cooking oil price structure that was so closely linked to all people's direct personal interests. This was because the measure was not only beneficial to agriculture, but fundamentally speaking, is favorable to the state's and the people's long-term interests, as well.

Commentator Urges Efforts for Bumper Harvest

OW1205134991 Beijing XINHUA Domestic Service
in Chinese 0036 GMT 12 May 91

[XINHUA commentator's article: "Press Forward to the Finish Without Easing Up To Achieve Another Bumper Harvest Year"]

[Text] Beijing, 12 May (XINHUA)—Following last year's bumper harvest, favorable indicators show that China's summer grain will provide another bumper harvest. The wheat harvest in south China has begun successfully. Most wheat stalks are firm and strong in major wheat-producing areas in north China. They are either forming ears or flowering now. It will probably be another summer of bumper harvests if there are no calamities like major drought, flooding, or dry and hot wind in the next month.

Weather conditions may have a significant effect on bumper harvests. The decisive factor, however, is still the people's enthusiasm for production. With consistent weather, irrigated and unirrigated crops, as well as good and poor soil moisture content, will yield very different

results. The use of fertilizer, quality seeds, and scientific and technological management and measures will have a remarkable impact on crop production. In the last two years, the whole country has made concerted efforts to invigorate agriculture by stressing the application of science and technology, in addition to increased inputs into agriculture. While guaranteeing bumper harvests in the last two years, these concerted efforts have also laid good foundations for another year of bumper harvest in 1991. The view that that 1991 must be a lean year after two consecutive years of agricultural bumper harvests has no basis in fact.

Two consecutive years of agricultural bumper harvests, however, have created some new problems. These problems are: The fact that peasants found it "hard to sell grain" in some areas has adversely affected some peasants' enthusiasm in planting grain. Some localities have reduced the planting area for grain farming. Other peasants have decreased their agricultural inputs. All these man-made problems, significant obstacles to agricultural bumper harvest in 1991, deserve our earnest attention. We should understand that China's population increases 17 or 18 million people annually. We must raise grain production considerably and guarantee a relatively remarkable coefficient of bumper harvest so as to basically accommodate the needs of population increases

and production development. Then we may be able to fulfill the total grain production target of 500 billion kg by the end of this century.

In order to meet the tough target of total annual grain production of 500 billion kg under China's current conditions, various rural localities and related departments must begin immediately to regard guaranteeing grain production increases as a priority project, resolutely eliminate any idea of leaving things to chance, realistically launch activities promoting "Quality, Variety, and Efficiency Year," and decrease to the lowest possible level various factors obstructing a bumper agricultural harvest. In particular, we now are at a crucial juncture at which if we push hard now, we will have plenty of wheat later, but if we relax, we should expect crop failure in the near future. Various localities should pay attention to frequently watering and fertilizing crops, strengthening farmland management, and nipping the pest in the bud so as to ensure a bumper harvest of summer grain. In the meantime, it is necessary to strive to perform preparatory work on summer seedlings well, guarantee appropriate planting acreage for fall grain, and realistically do well in work on draining waterlogged fields and flood prevention. We have great hopes of scoring another bumper harvest year, as long as various localities view this major event in grain production earnestly, realistically undertake various effective measures, and actually apply effective measures to farmland so as to increase agricultural production.

East Region

Fujian Official Attends Exhibition Opening

HK1405073591 Fuzhou Fujian People's Radio
Network in Mandarin 1000 GMT 13 May 91

[Excerpts] A national exhibition on embezzlement and bribery cases cracked by procuratorial organs throughout the country opened in the exhibition hall of Fuzhou's Fujian Industrial Exhibition Building this morning.

Chen Guangyi, Xiao Jian, You Dexin, Xu Jimei, Chen Mingshu, and other leaders; veteran Comrade (Huang Ning); and (Zhang Yuzhi), provincial military district deputy political commissar, attended the opening ceremony.

The exhibition shows details over 60 cases with relevant pictures and detailed materials attached to them. [passage omitted]

On behalf of the provincial party committee, advisory committee, people's congress, government, Chinese People's Political Consultative Conference [CPPCC] committee, and discipline inspection commission, Xiao Jian, provincial people's congress standing committee vice chairman, congratulated the opening of the national exhibition.

Xiao Jian called on party committees, people's congresses, and governments at all levels to strengthen leadership and supervision over the work of opposing embezzlement and bribery and give unreserved support to it. He said: All departments concerned must closely cooperate and coordinate with one another in this regard, make concerted efforts, and continue to severely crack down on embezzlement, bribery, and other serious economic crimes. He expressed the hope that procuratorial organs at all levels will grasp the opportune moment of this exhibition to fully comprehend the complexity and arduousness of the struggle against embezzlement and bribery, firmly bear in mind the protractedness of the struggle, and take forceful measures to further deepen the struggle against embezzlement and bribery.

The exhibition is scheduled to close 27 May.

Fujian Expels Prefecture Public Security Chief

HK1205034891 Fuzhou Fujian People's Radio
Network in Mandarin 1000 GMT 3 May 91

[Text] A few days ago, the Fujian Provincial CPC Committee Discipline Inspection Commission issued Circular Number One 1991 on the decision that (Wang Decai), former director of Nanping Prefectural Public Security Bureau, had been expelled from the party for violating the law. The circular says: (Wang Decai), former director and party group secretary of Nanping Prefectural Public Security Bureau, as well as examiner and researcher of Nanping Prefectural Political Science and Law Commission, abused his power of examining and approving applications to leave and enter the country and knowingly violated the law during a period from March 1986 to March 1989. He approved without

authorization or assisted 11 persons to leave the country or settle down in Hong Kong. He accepted eight bribes in the form of goods and money valued at approximately 43,100 yuan. This constituted the crime of accepting bribes. During his tenure in office, he also embezzled public funds in a sum of 10,000 yuan, and obtained an illegal and inexplicable income of 45,000 yuan. Besides, Wang Decai also had problems of moral degeneration, corruption, and others.

The Nanping Prefectural CPC Committee and government recently made separate decisions on expelling Wang from the party and discharging him from public employment. Nanping Prefectural Intermediate People's Court sentenced him to 15 years' imprisonment, and deprived him of his political rights for three years.

The circular points out: Under the conditions of deepening the reform, expanding opening up and developing socialist commodity economy, the majority of our province's party members have stood up to all tests. However, there are still a tiny number of party-member cadres, a handful of party-member leading cadres, or even law enforcing personnel who abused their power to extort money from others and bent the law for their private gain. They seriously violated party discipline and took the road of committing crimes. (Wang Decai) is precisely such a negative example. [passage omitted]

The circular called on the broad masses of party members to strengthen the reform of their world outlook. They should always maintain the true qualities of communist party members, be honest in performing their official duties, and work hard for the people.

Fujian, Hebei Sign Economic Cooperation Accord

HK1305144591 Fuzhou Fujian People's Radio
Network in Mandarin 1000 GMT 9 May 91

[Text] The Fujian and Hebei people's governments signed an agreement on promoting long-term and stable economic and technological cooperation in Fuzhou this morning.

Fujian Governor Jia Qinglin and Hebei Governor Cheng Weigao signed the agreement on behalf of their respective governments.

The visiting Hebei delegation led by Governor Cheng Weigao, as its head, and Li Binglian, deputy secretary of Hebei Provincial CPC Committee, and Ye Liansong, member of Hebei Provincial CPC Committee Standing Committee and executive vice governor as its deputy heads, arrived in Fujian on 5 May for a six-day visit.

During their stay in Fujian, the delegation held a press briefing on economic and technological cooperation between Hebei and Taiwan compatriots in Xiamen. They also visited the Xiamen Special Economic Zone, Quanzhou City, Shishi City, the Rongqiao Industrial Development Zone in Fuqing, and Mawei Economic and

Technological Development Zone in Fuzhou and was accorded a red carpet reception by local party organizations and governments.

This morning Governor Jia Qinglin and other provincial leaders held talks with the visiting delegation. Vice Governor Chen Mingyi and other provincial leaders briefed the delegation on how Fujian had carried on economic construction and utilized foreign and Taiwan funds since carrying out reform and open policies and on related experiences. The two sides had a friendly, wide-ranging, and in-depth conversation on establishing cooperative relations in economic, technological, scientific, and educational fields and reached a consensus. The two sides will, in the future, further promote cooperation in the areas of foreign trade, science and technology, education, and circulation of commodities, and expand channels of cooperation in accordance with the principle of "supplementing each other's advantages, mutual benefit, cooperation in various forms, and co-ordinated development."

Shen Daren, Governor View Rural Enterprises

OW1205154191 Nanjing Jiangsu People's Radio Network in Mandarin 0915 GMT 9 May 91

[Text] The provincial work conference on rural enterprises ended in Wuxi City today. At the meeting, Shen Daren, secretary of the provincial party committee, and Governor Chen Huanyou made important speeches on the situation confronting provincial rural enterprises, and the issues to be heeded in their future improvement and development.

Shen Daren noted: The improvement and development of rural enterprises is an important strategic task in Jiangsu during the 1990's, and is one of the major undertakings of the provincial party committee and government this year. Party committees and governments at all levels must truly strengthen leadership over work related to rural enterprises. All localities in Jiangsu must reach a common understanding on the strategy for developing rural enterprises on the basis of the suggestions adopted at the Seventh Plenary Session of the 13th CPC Central Committee, willingly provide quality service to rural enterprises, and create a favorable external environment. Leadership at all levels must uphold the principle of guidance according to different categories, lead the rural enterprises to adopt a realistic approach, strengthen cooperation and coordination between northern and southern Jiangsu, step up efforts to improve the leadership and organization in rural enterprises, intensify efforts to build a spiritual civilization among rural enterprises, and promote the coordinated expansion of various industries in rural areas.

In his speech, Chen Huanyou called on all rural enterprises in Jiangsu to pay close attention to structural adjustment. Structural adjustment should be based on existing enterprises, on a bigger role for existing fixed assets, and on preventing new dislocations. While adjusting the production structure, they must also adjust the structure of raw materials and of the markets for their products. Places

where rural enterprises are not well developed should focus on agricultural and sideline product processing, building material and other industries that develop and utilize local raw materials. They should pay attention to developing handicraft industries which employ many workers, require little investment, and generate quick returns. They should step up efforts in technical upgrading, and focus attention on conserving energy, reducing raw material consumption, cutting production costs, improving product quality, developing new products, enhancing the level of organization, deepening enterprise reform, accelerating the pace of opening to the outside world, and tightening management and control.

Jiangsu To Invest Billions in Water Conservancy

OW1405020791 Beijing XINHUA in English 0120 GMT 14 May 91

[Text] Nanjing, May 14 (XINHUA)—Jiangsu provincial officials announced today that the province, an economically developed region in east China, will invest three billion yuan in the construction of key water conservancy projects during the next five years.

The projects will include the harnessing of major rivers, construction of new irrigation canals and the improvement of low- and medium-yield farmland.

At present, over 400,000 farmers in northern Jiangsu are busy digging the Xuhong Canal to irrigate the region's arid fields.

Meanwhile, preparations are now well under way for the construction of 415-kilometer Tongyu Canal in eastern Jiangsu. The first phase of the project, which was approved by the State Council, requires the digging of a new 176 kilometer canal and the dredging of 69 km of the old river course, and will cost over 1 billion yuan.

When the project is completed, it will help to improve large tracks of unproductive land and will expedite efforts to make full use of coastal shoals, as well as help to boost the development of the provinces power industry and harbor construction, according to the officials.

Other key water projects include harnessing three rivers in northern Jiangsu, as well as repairing tributaries of the Huaihe River and reinforcing embankments along Hongze Lake.

In addition, the province plans to dig two additional rivers in southern Jiangsu, enhance flood control along sections of the Yangtze River, and expand a large number of pumping stations in a bid to boost agricultural production.

Jiangsu's Industrial Output Seen as Vigorous

OW1405022691 Beijing XINHUA in English
0152 GMT 14 May 91

[Text] Beijing, April 14 (XINHUA)—Economists in Jiangsu Province say that the province's industrial production and market activity exhibited great vitality during the first quarter of 1991.

By the end of March, Jiangsu's industrial output value exceeded 58.01 billion yuan, an 18.8 percent increase of last year's first quarter, and 5.1 percentage points higher than the average national industrial production rate.

According to provincial experts, market consumption and industrial output in the province began to share a new relationship following the restructuring of the economic system, which is characterized by complementary increases and decreases.

In the first quarter of 1991, goods valued at over 16.8 billion yuan were sold in the cities and countryside, an increase of 12 percent over last year's same period. In addition, sales reached their highest point since May of 1989 when the market turned sluggish.

The market demand in the province has served to promote an acceleration in industrial production. Statistics released by the Jiangsu Statistical Bureau show that of the province's 11 cities, the highest increase in the rate of industrial production was 26.3 percent, while the lowest rate was 8.4 percent.

The increased rate of industrial production in most cities ranged from 11 to 20 percent, an increase rarely seen in recent years.

Local economists report that the growth rate of Jiangsu's industrial production is normal, and there is no sign of overheated economic development. The industrial output value target was fulfilled in the first quarter, and accounts for 24.25 percent of the annual production target.

At the same time, there is no evidence in the market of overheated consumption and consumption levels remain normal.

Statistics also show that during the first quarter bank savings in the province continued to increase, and that overall bank savings increased by over 6 billion yuan compared to last year's same quarter.

The economists estimate that during the second quarter, Jiangsu will maintain steady growth characterized by a brisk market and increased industrial production, and that economic returns of enterprises in the province will improve.

Reports on Developments in Jiangsu Cities

Rapid Agricultural Progress Seen

OW1105074691 Beijing XINHUA in English
0537 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—Lianyungang, a coastal city in east China's Jiangsu Province, has recorded rapid development in agricultural and fishery fields as the result of the application of science and technology.

Statistics show that since 1983 the city has increased its production value by over one billion yuan (200 million U.S. dollars) by developing agricultural resources. In the same period, the city recorded profits of over 400 million yuan and an export volume of over 100 million U.S. dollars, according to the overseas edition of PEOPLE'S DAILY.

Lianyungang, an area rich with agricultural resources, has drafted plans to establish three development zones, one each for fisheries, animal husbandry and processing.

Donghai County, which is located in the city, has become one of country's 50 major grain producing counties. In addition, the per unit grain production of ganyu county now ranks first amongst the country's over 1,000 rice producing counties. Guanyun County, in north Jiangsu, has also become a major cotton producer.

The city has also stressed the developing of products for export. In recent years, the city has exported 7,000 tons of prawn and has earned over 50 million U.S. dollars.

Other exports include mink and sheep fur, canned fruit and meat, as well as fish and rabbits.

Nanjing Mayor on Hi-Tech Zone

OW1205061891 Beijing XINHUA in English
0530 GMT 12 May 91

[Text] Beijing, May 12 (XINHUA)—Construction of the Pukou Hi-Tech Development Zone is vital to the economic up-list of east China's Nanjing City with a population of five million, and Mayor Wang Rongbing says he devotes major efforts to the project.

The, [as received] covering one square kilometer, was established in April, 1988. It is one of the first such development zones in the country.

To date, more than 30,000 square meters of standard factory buildings, new technology development shops and business buildings have been completed and put to use. In addition, over 20,000 square meters of new factory buildings are now under construction.

By the end of last year, 15 hi-tech enterprises opened businesses in the zone.

For the construction and development of the zone, the mayor says, the city government will attach great attention to the industries of electronics, automobile manufacturing and petrochemistry; the development of a foreign-oriented economy with the help of technological

advancement; and enhancing the cooperation between large and small enterprises, urban and rural economies, scientific research units and production units.

Wang says at present the zone mainly produces electric devices, precision machines and key auxiliary parts for automobiles.

The mayor often leads heads of city departments to work in the zone and help solve problems. He is confident of its success.

Nantong Policies Help Profits

*OW1305080391 Beijing XINHUA in English
0549 GMT 13 May 91*

[Text] Nanjing, May 13 (XINHUA)—Foreign funded enterprises are working very profitably in Nantong City, east of China's Jiangsu Province, thanks to the local government's preferential policies.

During the past five years, the municipal government has spared no efforts in improving basic facilities, such as telecommunications and highways, while adopting a let-investors-profit policy to increase foreign investment.

In 1990 alone, the profit earned by the 55 foreign funded firms, including joint ventures and solely foreign financed ones, reached 86 million yuan (about 15 million U.S. dollars).

In the same period, the sum of profits and taxes they generated amounted to 180 million yuan (about 34 million U.S. dollars), more than one third of that made by all such firms in the province.

The city currently has 57 foreign funded firms, including 12 firms with investments that equal or exceed five million U.S. dollars.

Central-South Region

Guangdong Sees Sharp Increase in Smuggling Cases

*HK1405072391 Guangzhou Guangdong People's
Radio Network in Mandarin 1000 GMT 12 May 91*

[Text] This year has witnessed a sharp increase in the number of smuggling cases cracked by various Shenzhen customhouses.

From January to April, the Luohu, Wenjingdu, and the Huanggang Customhouses cracked over 1,300 smuggling cases with smuggled goods worth over 27 million yuan, representing a 50-percent increase over the corresponding period last year.

Most of the captured goods were cameras, integrated circuits, and so on.

This year, the Huanggang Customhouse has cracked an unprecedentedly large number of smuggling cases. In the first four months of this year, it cracked 118 smuggling

cases with smuggled goods worth 4 million yuan, representing a 67-percent increase and a 300-percent increase respectively over the corresponding period last year.

Hunan's Xiong Qingquan Examines National Defense

*HK1205004991 Changsha Hunan People's Radio
Network in Mandarin 2200 GMT 8 May 91*

[Text] In an 6 May interview with Chinese Central Radio reporters, Xiong Qingquan, provincial party committee secretary; and Chen Bangzhu, governor and deputy secretary of the provincial party committee, expressed their views on ways to enhance national defense awareness of all levels of leaders to push forward national defense education among the people.

Xiong Qingquan said: The key to scoring achievements in educating the people on national defense lies in the leadership. At present, all levels of leadership must handle well the following relationships:

1. between promoting economic growth and strengthening national defense;
2. between maintaining peace and strengthening national defense; and,
3. between strengthening the people's democratic dictatorship and strengthening national defense.

Comrade Chen Bangzhu maintained: It is necessary to strengthen the following concepts through educating the people on national defense:

1. National interests are above everything else.
2. Be aware of danger in times of peace.
3. Cherish and support the army.
4. Work hard to make the country rich and build up its military power.

Hunan Governor Issues Decree on Enterprises

*HK1305154091 Changsha Hunan People's Radio
Network in Mandarin 2200 GMT 9 May 91*

[Text] On 14 April Governor Chen Bangzhu signed and issued Decree No. 3 of the provincial people's government on regulations governing registration and management of enterprises in Hunan.

According to the regulations, state or collectively owned enterprises that are qualified to become a legal entity; institutions which operate as enterprises, no longer receive funds from the state, and are qualified to become legal enterprises; and civilian-run technological organizations which do business, are required to register with the department concerned to become legal entities and subject themselves to the government's control.

All levels of administrative offices will take charge of the registration.

Southwest Region

Backgrounder Reviews Democratic Reform in Tibet

OW1205094791 Beijing XINHUA in English
0847 GMT 12 May 91

["Democratic Reform in Tibet (Tibet's Today and Yesterday Backgrounder)"]—XINHUA headline]

[Text] Beijing, May 12 (XINHUA)—Prior to the democratic reform of 1959, theocratic Tibet was under feudal serfdom and ruled by a government which was actually the united dictatorship of hereditary aristocrats and estate-holders of the various monasteries.

The monasteries, owning more than 39 percent of the total acreage of farmland in Tibet, were invested with various political prerogatives, exploiting and enslaving the people by such means as rents, usury and exorbitant taxes and levies.

Behind the monastic walls there was a rigidly stratified hierarchy, which subjected the overwhelming majority of the monks to enslavement.

During the democratic reform of 1959, a campaign was launched to crack down on rebellion and uproot the system of enslavement and feudal privileges.

Democratic management organizations were set up at the various monasteries; for the first time in Tibetan history, religious establishments were brought under the rule of the constitution; and the principle of separating religion from politics was carried out.

The state bought out the land, livestock, farm tools and surplus houses from those who did not participate in the rebellion, and distributed them, without compensation, among poor serfs.

The reform of the monastic and religious system stripped the monasteries of their feudal privileges and their freedom to run kangaroo courts and prisons, torture the people and intervene in civil lawsuits and cultural and educational affairs.

Usury and corvée and other systems of oppression and exploitation were abolished, and the monasteries were banned from indiscriminately extorting innocent people. The feudal monastic management system was uprooted along with inequality between religious sects, the feudal hierarchy and the practice of subordinating one monastery to another.

The buildings of the monasteries and cultural relics and other religious property were duly protected.

The broad masses of the lamas and nuns gained personal freedom, and the one million serfs were no longer private assets of the various monasteries—they were completely emancipated and able to live in freedom and happiness.

Tibet Improves Social Order To Mark Anniversary

HK1405023991 Beijing RENMIN GONGAN BAO
in Chinese 23 Apr 91 p 1

[Report by correspondent Mao Qiang (3029 1730): "Victory Reported in First Battle of Lhasa's Comprehensive Social Order Improvement Program"]

[Text] To further promote the stability of the situation in Tibet and ensure smooth progress of the activities to mark the 40th anniversary of Tibet's peaceful liberation, the Lhasa Public Security Bureau organized the comprehensive social order improvement work group. With vigorous support and cooperation of various social circles since 13 March, the group cracked 140 criminal cases and arrested 144 offenders.

The Lhasa Public Security Bureau released 300 policemen to form a comprehensive social order improvement work group to go deep into the grass-roots levels to carry out work in cooperation with all units and departments. With the vigorous support of the masses from various nationalities, the work group adopted various forms to hold around 100 mobilization meetings, involving 40,000 people and 400 units, accounting for 90 percent of the city's total units. Moreover, a total of 197 units established comprehensive improvement leadership groups one after another, which aroused the enthusiasm of the inhabitants to take part in improving social order.

To attain the target of "working hard for 100 days and creating a fine environment for the 23 May celebration activities," the work group, with investigating and cracking cases and attacking criminal offenses as the focus of work in the near future, promptly cracked a major robbery case and 23 long-pending cases. In close coordination with the Tibet Military District security departments and with the broad masses' vigorous support, the work group worked hard for six days and nights, swiftly cracking the 28 March murder and ammunition robbery case. All the 13 offenders were arrested and the 19 pistols and some 1,000 rounds were recovered.

Press Focus on Tibet Marks Coming Anniversary

OW1405060791 Beijing XINHUA in English
0534 GMT 14 May 91

[Text] Lhasa, May 14 (XINHUA)—In the first four months of 1990, over 120 Chinese and overseas reporters have flocked to Tibet for a closer look at "the Roof of the World."

As the 40th anniversary of the peaceful liberation of Tibet, which falls on May 23, draws near Tibet has become the focus of the Chinese press.

Leading news organizations in China have given much publicity to Tibetan history, and to the remarkable achievements of the past 40 years.

The Central People's Broadcasting Station and China Central Television, as well as leading Chinese newspapers and magazines, such as the "PEOPLE'S DAILY," "ECONOMIC DAILY," "GUANGMING DAILY," "WORKERS' DAILY," "CHINA DAILY" and the weekly magazine "OUTLOOK" have sent special groups of reporters to Tibet to cover Tibetan stories.

An official from the Tibet Autonomous Region reported that they have played host to a number of foreign reporters, including those representing "UNO MAS UNO" in Mexico, "LE SOLEIL" from Senegal, "EUROPE NEWS" from France, and "CHINA PRESS" from the United States.

A local Tibetan press official said a number of world-famous news organizations have expressed their intent to provide news coverage from the region.

"We have worked out a coverage schedule for nearly 100 newsmen from over 20 news organizations," according to the official.

Tibet, which was under feudal serfdom four decades ago, was peacefully liberated by the People's Liberation Army in 1951 and since then has witnessed great changes resulting from its liberation and especially the democratic reform in 1959.

Overseas Tibetans Visit, Settle in Sichuan

OW1405022891 Beijing XINHUA in English
0158 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—In the 11 years from 1980 through 1990, more than 2,300 overseas Tibetans have returned from over 30 countries and regions to visit Sichuan Province, and 220 of them have settled down in the province.

Among the visitors were nobles, living Buddhas, tribal chiefs and large numbers of ordinary Tibetans, today's overseas edition of the PEOPLE'S DAILY quoted an official from the Sichuan Provincial Commission of Nationalities Affairs as reporting.

The official said that adequate arrangements have been made for those overseas Tibetans wanting to settle down in the province. Some of them have been assigned to work in agriculture or animal husbandry. Those aged or weak people who could no longer work have been given relief so as to secure their basic necessities while those without homes have been given places to live.

So far, over 40 of the overseas Tibetans that have settled in the province have been elected deputies to the people's congresses or committees of the Chinese People's Political Consultative Conference (CPPCC) at the national, provincial, prefectural or county level.

More than 1,400 of the Tibetans in the province have been abroad for tourism or visiting relatives during the 11 year period.

Sichuan Province is located in southwest China and borders the Tibet Autonomous Region. Many Tibetans live in small communities in the province.

Increase in Number of Tourists to Tibet Noted

OW1405063291 Beijing XINHUA in English
0546 GMT 14 May 91

[Text] Lhasa, May 14 (XINHUA)—Tibet has attracted more than 1,500 foreign tourists in the first quarter of 1990, compared to only 300 during last year's same period, according to an official from the Tibet Administration of Tourism.

The official said that this is a good indication of a revival of tourism in Tibet since the sharp fall in June 1989.

He predicted that the number of foreign tourists to Tibet this year will exceed 12,000 since the golden season for travel on the "Roof of the World" is approaching, as well as the number of people arriving in the region to participate in activities celebrating 40th anniversary of the peaceful liberation of Tibet.

Since the early 1980's, Tibet's tourism has been developing at a fairly rapid rate. Among the 43 construction projects in Tibet in recent years which received aid from the central government, eight were tourist hotels.

Statistics show that during the last decade, Tibet hosted over 134,000 foreign tourists from over 30 countries, and recorded profits of over a quarter billion yuan.

The official attributed this to Tibet's unique natural scenery and local customs. The travel department in Tibet has recently opened a series of special tours for tourists, including mountain climbing, hiking, and have a taste of real Tibetan life, the official added.

Tibet's travel department is initiating new measures to seek new markets in Asian countries, while revitalizing traditional markets in Europe and America, according to the official.

The official said that along with political stability in Tibet, tourism will witness great development in the coming years.

North Region

Chen Xitong Urges Housing, Educational Reforms

OW1205074391 Beijing XINHUA in English
0706 GMT 12 May 91

[Text] Beijing, May 12 (XINHUA)—It would be a happy thing to Beijing City Mayor Chen Xitong to make a success of the housing reform and provide better living conditions for Beijing residents.

The mayor and other members of the city's leading group devotes major efforts to the improvement of dangerous housing to provide conditions for the housing reform.

Chen recently presided over a work meeting and discussed a series of policies for the housing reform.

Chen says that the municipal government is determined to complete the reconstruction of the city's five million square meters of dangerous and out-of-date houses within 10 years, so that by the year 2,000 Beijing residents can enjoy fairly good living conditions.

The mayor visits work sites and city residents to listen to their opinions about the housing reform. At present, the government allocates housing to most city residents at a very low rate of rents that are not enough even for housing repair. To reduce the burden to the government, the central authorities have long decided to carry out the housing reform and different localities are encouraged to adopt measures according to their own conditions.

The Beijing Municipal Government also attaches great importance to the development of education, which has been allocated big financial inputs to improve the teaching conditions. The Chinese capital has many institutions of higher learning in addition to developed high school education.

Last year, funds for education accounted for 20.1 percent of the city's total financial expenditure.

Meanwhile, the mayor also stresses the reform inside schools and universities.

A competitive system has been carried out in primary and middle schools, stimulating the initiatives of the teachers and helping improving their qualities.

County Explores Ways To Promote Democracy

OW1405025791 Beijing XINHUA Domestic Service
in Chinese 2003 GMT 11 May 91

["Beijing's Tongxian County Has Explored a New Way To Promote Grass-Roots Democracy by Instituting the System of Keeping the Public Informed of Administrative Affairs; by reporters Yan Zhenguo (7051 2182 0948) and Su Huizhi (5685 2585 1807)"]—XINHUA headline]

[Text] Beijing, 12 May (XINHUA)—The system of keeping the public informed of administrative affairs—a new measure meant to promote grass-roots democracy in rural areas—has been favorably embraced by cadres, party members, and the masses in Beijing's Tongxian County since the system was adopted one year ago.

According to Lu Songhua, secretary of the Tongxian County party committee, the measure which his county has adopted is an effective way of making supervision inside and outside the party more effective, of forging closer ties between party members and the masses and between cadres and the masses, of heightening cadres' sense of serving the people, and of establishing a new form of democracy in rural areas.

Tongxian County's system of keeping the public informed of administrative affairs is essentially one of

letting the public know the various aspects of its operations, especially the work and plans of villagers' committees and village economic cooperatives and the financial state of various villages; the approval of homesteads, the allocation of chemical fertilizers and agricultural chemicals, the allocation of family planning quotas, the sharing of obligatory duties, and other matters relevant to the masses' vital interests; and the wages of village cadres and the amounts of bonuses they receive. Ways of keeping these matters open to the public include putting up posters as well as holding quarterly meetings for party members and representatives of party members and the masses. Meetings may be held at shorter intervals if the situation warrants.

The work in the past year or so shows that the system is an effective way of forging closer ties between party members and the masses and between cadres and the masses. Cadres and the masses now understand each other better and have become more supportive of each other after things which the masses care very much about and which have caused misunderstandings between cadres and the masses have been made public.

The system of keeping the public informed has changed the conduct of some village cadres. It has made them more aware that they are public servants obligated to serving the people wholeheartedly. Under this system, every three months cadres must report their work to the masses and inform them about the plans of their work for the next quarter. This has forced cadres to perform the duties of their respective offices. In March last year, the Xintun village party branch, when reporting to the villagers about the second quarter's plan, informed the villagers that it planned to borrow money for the purchase of farm machinery and tools. Many villagers, however, indicated a preference to raise the money themselves because of the interest payments on bank loans. Within seven days they raised 60,000 yuan and used the money to purchase several seeders and rotary cultivators. The village party branch secretary said thoughtfully: "As result of keeping the masses informed, we receive their understanding, support, and assistance. As our work becomes more meaningful, the more we work, the more we want to work."

The system of keeping the public informed also has encouraged the masses to take part in discussing administrative affairs, which has accelerated the process of promoting democracy in rural areas. Some rural cadres used to have little sense of democracy and used to lead in a high-handed manner. Because all general plans now have to be approved by the masses, not only have they become more practical, but they also have aroused the masses' enthusiasm. For example, the proposals presented by 73-year-old villager Wang Weixin have all been adopted. Based on his proposal to "borrow less money and raise more money among themselves," the village has raised over 400,000 yuan and saved 30,000 yuan in interest payments last year. This old villager said

emotionally: "We are real masters, and not in name only. Now what we say counts. The more we propose, the more we want to propose."

The system of keeping things open to the masses has placed cadres under the masses' supervision. This has made it easier for the masses to stop cadres from abusing their authority for personal gains, and to expose and correct them when they have misbehaved. Thus, the system is helpful for combating irregularities and promoting administrative ethics.

Beijing Cultural Relic Department Discovers Sites

OW1105075291 Beijing XINHUA in English
0558 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—Beijing Cultural Relic Department has recently discovered more than 200 ruins, including casting and smelting sites, and kilns which contained numerous cultural relics.

Zhao Guanglin, director of the cultural relic archeology team, said that the ruins include three casting and smelting sites which yielded over 40 cultural relics dating from the Han Dynasty (206 B.C.-220); 103 kilns located on 35 sites, including 31 pottery kilns dating from the new stone age, as well as the Shang (c. 16th-11th century B.C.), Zhou (c. 11th century-256 B.C.), Han (206 B.C.-220), Yuan (1271-1368) and Ming (1368-1644) Dynasties; nine porcelain kilns dating to the Liao (916-1125), Jin (1115-1234) and Yuan Dynasties; six glass kilns of the Liao, Yuan, Ming and Qing Dynasties (916-1644); and three lime kilns from the Ming Dynasty.

The relics found in the kilns were in a variety of colors, including white, blue, black, brown and green glazed porcelains produced for daily use.

The 10 types of unearthed porcelain included 305 pieces of the white porcelain trays from the Song Dynasty (960-1279), and blue jars, pots, bowls and trays from the Yuan Dynasty. The 12 types of copper and iron ware included a gilded ox-horn shaped cup from the Tang Dynasty (618-907), and a copper seal and copper mirror from the Jin Dynasty, the first of their kind unearthed in Beijing.

From the 33 ancient money silos, 3,685 kilograms of money were excavated. They date from the warring states period (475-221 B.C.) to the Qing Dynasty.

These newly discovered cultural relics are of great significance for study of the history of the ancient casting and smelting, ceramics, currency circulation, folk customs and the life of the people in the Beijing area.

Beijing Youth Propagate Tax Law Knowledge

OW1205084791 Beijing XINHUA in English
0753 GMT 12 May 91

[Text] Beijing, May 12 (XINHUA)—Thousands of youngsters in Beijing turned out in the Changan Street this morning to spread knowledge about the tax law.

The theme of the activity is "upholding the authority of the tax law and learning the importance of taxation."

More than one million copies of tax law materials were distributed today.

Performances of karaoke singing, fancy boating and lion dancing attracted hundreds of thousands of Beijing residents.

Leaders from municipal government departments took part in today's activities, which are expected to be held regularly every year in May, the "month of tax law".

Tianjin Mayor on Enhancing Economic Reform Role

OW1205084491 Beijing XINHUA in English
0745 GMT 12 May 91

[Text] Tianjin, May 12 (XINHUA)—Tianjin will use its geographical advantages to enhance its role in national economic construction, according to Nie Bichu, mayor of the north China port city.

The mayor says that the city will open wider to foreign countries as well as to domestic provinces and cities.

On the coast of the Bohai Sea, the city is a communications hub linking Northeast Asia and Europe and other parts of the world.

The city government decided to build bonded areas for which the city will adopt preferential terms, improve transport facilities and make the city the biggest international commodities transfer center in north China, the mayor says.

City will open marine and air routes to the Korean peninsula in the near future, according to the mayor.

After inspecting the city's development zones, the mayor plans to visit northwest China to see what it needs and to learn from its experience in economic development.

Tianjin Plans To Optimize Industrial Structure

OW1305131991 Beijing XINHUA in English
1244 GMT 13 May 91

[Text] Tianjin, May 13 (XINHUA)—Tianjin will construct a batch of large-scale key projects in the coming 10 years, City Mayor Nie Bichu said here recently.

He announced this information at the fifth session of the 11th Municipal People's Congress, which ended recently.

On petrochemical industry, the mayor said that the planned petrochemical projects will help upgrade the city's three existing large petrochemical sites.

Together with new and expanded saltworks, efforts will be made to develop the city into a large comprehensive petrochemical and chemical industries production base, giving it a more important position in the country, the mayor said.

Under the municipal economic programs for the next five years and decade, an iron and steel complex, a seamless steel pipe plant and several other projects in the field will be constructed to produce special varieties of high quality products, the mayor said.

Tianjin will also try to become a major light-duty truck and compact car producer in the future, Nie told the delegates. The ability to produce 30,000 mini cars annually will be tackled as the first step. The second step will expand the production capacity to 100,000 cars, the mayor said, adding that the city is scheduled to produce 300,000 cars and trucks in 1995.

According to the plan for the next decade, Tianjin will construct 10 key projects, involving seamless steel tubing, ethylene, polyester, mini-cars, automated telephone system, video-recorder, copper metallurgy, chemical fertilizer and cement. It will also construct 10 key energy and transportation projects.

Furthermore, priority will be given to upgrading the technology in the city's industrial enterprises, the mayor stressed.

He said that in the next five years, Tianjin will employ the technology of the late 80s to upgrade 100 enterprises which produce 20 categories of products.

The mayor disclosed that the municipality has been chosen by the central government as one of the priority cities in upgrading old enterprises.

He said that the city government is determined to cease the production of many products that are technologically outdated, no longer marketable and losing money. He said that enterprises producing such products will be shut down, merged with other enterprises or forced to change their business scope.

Northwest Region

Gu Jinchu Attends Gansu Religion Conference

HK1405001591 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 11 May 91

[Text] At the provincial conference on work concerning religion jointly held by the provincial party committee and government yesterday, provincial party committee Secretary Gu Jinchu pointed out: It is necessary to strengthen the party leadership over work concerning religion and truly give play to patriotic religious organizations.

He advanced the following opinions on and demands for doing the work well:

1. It is necessary to get a full understanding of the important position of the work concerning religion and of the role the work plays.
2. Efforts should be made to comprehensively and correctly carry out the policy that citizens enjoy freedom to believe in religion.

3. It is necessary to strengthen control over religious activities according to law.

4. It is necessary to strengthen the party and government leadership over the work concerning religion and bring the role of patriotic religious organizations into full play.

Comrade Gu Jinchu stressed: The religion-related work concerns every aspect of society. All levels of party committees and governments must pay great attention to the work, regularly study and analyze the related situation in their areas, and solve the problems involved in time to make fresh contributions to Gansu's economic growth and social stability.

Lu Kejian, deputy secretary of the provincial party committee, presided over the opening ceremony. Vice Governor Mu Yongji briefed the conference on the spirit of the national conference on work concerning religion and analyzed the related situation in Gansu and outstanding problems. At the same time, he set major tasks for Gansu concerning religion for now and a certain period to come.

Gansu Decides To Cut Back on Meetings

HK1005073191 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 5 May 91

[Excerpts] At the beginning of this year, the provincial authorities decided to reduce the number of meetings and the amount of funds earmarked for meetings by one third and the number of documents by 10 percent. [passage omitted]

This decision was disclosed by Comrade (Song Zhaolong), provincial party committee secretary general, at a meeting attended by prefectural, city, and autonomous prefectural party committee secretary generals in (Longnan) area.

Too many meetings, documents, and public activities have become a major obstacle which prevents leading cadres from going deep to the grass-roots level to carry out investigations and research and transform their style. The provincial party committee and the provincial government are determined to tackle these problems by first transforming concept and then carrying out comprehensive harnessing in the following ways:

1. To greatly reduce all types of meetings; [passage omitted]
2. To strictly implement a system under which no meeting can be held before being examined and approved by the proper authorities; [passage omitted]
3. To resolutely reduce funds earmarked for meetings; [passage omitted]
4. To control the scale and duration of meetings; [passage omitted]
5. To strengthen supervision and implementation in this regard; [passage omitted]

The principal leaders of the provincial party committee and the provincial government, including Comrades Gu Jinchu and Jia Zhijie, have already taken the lead in

[words indistinct] and going deep to the grass-roots level to study problems and grasp major issues.

Oil Field Equipment Experts Visit Lanzhou

*OW1105013791 Beijing XINHUA in English
0112 GMT 11 May 91*

[Text] Lanzhou, May 11 (XINHUA)—Since China announced plans to open new oilfields in the remote Xinjiang Uygur Autonomous Region, orders have poured in to dozens of petroleum machine manufacturers in Lanzhou, capital of Gansu Province.

In the spring of 1991 alone, the Lanzhou Petroleum and Chemical Machine Building Plant has received orders for 35 drilling rigs, a figure almost tripling the total orders for last year.

The Lanzhou Institute of Petroleum Machinery has focused its research and development efforts on the problems oil drillers may encounter in deserts which occupy a large portion of the region.

Many large oil equipment manufacturers and researchers have flocked to Lanzhou, and at present almost half of the country's oil equipment is manufactured in the city.

Yin Kesheng Views Enterprises' Environment

*HK1205005491 Xining Qinghai People's Radio
Network in Mandarin 2200 GMT 7 May 91*

[Text] Our province will create a more relaxed and flexible external environment in the interest of the state-owned enterprises' healthy and sustained development. On 5-7 May, the provincial government held in Xining a meeting of prefectural chiefs and city mayors. Leaders from various autonomous prefectures, prefectures, cities, counties, and the relevant provincial government departments and bureaus; and responsible persons of some large enterprises enthusiastically discussed the interim provisions the provincial government recently formulated on further invigorating the state-owned enterprises. Provincial party and government leaders Yin Kesheng, Jin Jipeng, Cai Zhulin, Bainma Dandzin, Wu Chengzhi, La Bingli and others also took part in the discussions.

Enterprises in our province have overcome one difficulty after another since this year to actively participate in the quality, variety, and efficiency year to enable our industrial production to maintain its growth rate. However, due to the fact that some deeply rooted problems accumulated over previous years have not yet been completely overcome, provincial industrial production is still facing a fairly serious situation.

In light of the present existing problems, the provincial government formulated 17 provisions on improving enterprises' external environment, deepening their internal reform, and government organs providing them good service. These provisions were submitted to the

meeting for discussion. During the two-day discussions, leaders from various localities and departments spoke out freely in light of their local conditions to express their views on the provincial government provisions. They pointed out that although these provisions should be improved and supplemented, they are undoubtedly the present best measures for invigorating state-owned enterprises, large and medium enterprises in particular. They stated that they would fully and effectively use the policy which benefits the development of enterprises to do well in production and promote our province's continuous economic development.

In his speech at the discussion, provincial party Secretary Yin Kesheng said: Enterprise development relies on external conditions to a certain extent. But this is only one aspect of the matter. What is more important is that we should devote our efforts to their internal environment. We can formulate a long-term plan only when we have a solid foundation. Only thus can we attach importance to integrating favorable internal conditions with those beneficial external conditions. This will speed up enterprise development.

In view of the fact that there are some defects in some departments' work style, Governor Jin Jipeng urged all participants to develop the idea of serving the grass-roots level, do more practical work, avoid empty talk, and follow a down-to-earth manner to overcome as soon as possible those detrimental factors in industrial production to make new contributions to invigorating our province's economy during the Eighth Five-Year Plan period.

Addresses Democratic Forum

*HK1305153391 Xining Qinghai People's Radio
Network in Mandarin 2200 GMT 9 May 91*

[Text] Yesterday [9 May], the Qinghai Provincial CPC Committee held a forum attended by responsible persons of various democratic parties and patriotic personages without party affiliation in the guest house inside Shengli Park to solicit their opinions on the revised provincial party committee's basic train of thought on formulating the 10-year Program and the Eighth Five-year Plan.

Nearly 40 people, including responsible persons of the provincial branches of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction, the Chinese Peasants' and Workers' Democratic Party, the Jiusan Society, and Federation of Industry and Commerce, and a number of patriotic personages without party affiliation, attended the forum.

Provincial party committee leaders, including Yin Kesheng, Jin Jipeng, and Sang Jiejia, and responsible persons of the relevant departments of the provincial party committee and the provincial government listened to the speeches and exchanged views with all the participants at the forum.

Provincial party committee Secretary Yin Kesheng presided over the forum and was the first to take the floor at the forum.

Yin said: The train of thought formulated by the provincial party committee gradually took shape only after long-term deliberation, extensive solicitation of opinions of all parties concerned, repeated discussions and revisions, and constant enrichment and perfection. The process of formulating this train of thought can be said to be a process of fully developing democracy, persisting in the mass line, drawing on collective wisdom and absorbing all useful ideas, and pooling the wisdom and efforts of everyone.

Yin Kesheng also gave a detailed account of the goals set forth in the train of thought, the basic guiding principles governing the 10-Year Program and the Eighth Five-Year Plan, the general blueprint and key strategic points of Qinghai's economic and social development in the next decade, and some ways and means of deepening economic structural reform to all the comrades participating in the forum. He said: The next decade is a very crucial period for our province's socialist modernization building. Successfully formulating our province's 10-Year Program and the Eighth Five-Year Plan is of great importance and significance to our province's economic and social development and our second-stage strategic goal attainment in the next decade.

Yin Kesheng expressed the hope that all the participants will freely air their views, give full play to their talents and wisdom, and put forward valuable views and proposals aimed at promoting Qinghai's development in order to further enrich and perfect the train of thought formulated by the provincial party committee and enable the train of thought to become a program of action guiding the people of the whole province to march forward victoriously.

A total of 11 comrades, including (Qin Kezhuang), (Guo Liang), (Zhang Zhulong), (Chen Fanglan), (Zhou Yikui), (Xie Gaofeng), (Bai Dingyi), (Chen Jiazheng), (Nie Fei), (Li Yizhi), and Han Shenggui, delivered speeches at the forum. They expressed agreement and support to the train of thought advanced by the provincial party committee for formulating Qinghai's 10-Year Program and the Eighth Five-Year Plan and held that the train of thought conforms with realities in Qinghai and is a grand program capable of encouraging the people to forge ahead actively. In their speeches, they not only analyzed the favorable conditions but also pointed out the difficulties in attaining the goals put forth by the train of thought and maintained that in formulating Qinghai's 10-Year Program and Eighth Five-Year Plan, it is necessary to further deepen re-understanding of Qinghai's realities, know clearly about both opportunities and contradictions confronting Qinghai, and formulate practical and feasible concrete measures.

The responsible persons of some democratic parties also aired their frank views and put forth a lot of good

proposals on promoting agricultural, animal husbandry, scientific, and educational development, invigorating existing industrial enterprises, respecting knowledge and qualified personnel, further emancipating mind, expanding opening up to the outside world, accelerating resource exploitation, stepping up socialist spiritual civilization building, and on many other aspects.

Hears Experts' Opinions

HK1405072791 Xining Qinghai People's Radio
Network in Mandarin 2200 GMT 10 May 91

[Text] Yesterday [10 May], the Qinghai Provincial CPC Committee invited some experts and scholars from the Xining area to attend a discussion to solicit their opinions on the provincial CPC Committee's basic ideas on formulating the provincial 10-Year Program and Eighth Five-Year Plan. At the discussion, more than 20 experts and scholars from the relevant research institutes and universities and colleges, including the provincial Academy of Social Science, party school, Agricultural Research Institute, Animal Husbandry and Veterinary Institute, Electric Power Bureau; QINGHAI RIBAO; Salt Lake Research Institute, expressed many good views and constructive opinions on the provincial CPC Committee's basic ideas and the ways to formulate well the plan and program in conjunction with their own practical work.

All participants maintained that due to various reasons the gap between our province's economic construction and the country's development level widened during the preceding 10 years. In the coming 10 years, we should try hard to catch up. The objectives of struggle and speed of development proposed by the basic ideas are positive and progressive. In their speeches, all participants pointed out: While formulating our program and plan, we should handle well relations between speed and efficiency. We should have specific measures for fulfilling the objectives. We should do our work in a positive and reliable manner, and leave some leeway. At the same time, we should avoid being impatient for success. We should act according to our capability.

Many participants pointed out: Our province's natural and geographical conditions are poor, and our population [words indistinct] structure is irrational. Although we are rich in natural resources, the efficiency of exploiting them is not high. Therefore, in the future, we should assign a fairly important position to the enhancement of our science, technology, education, and management level, so that we can macroscopically exercise control and microscopically do well in dealing with specific matters. To change Qinghai's backwardness, we should have the idea of carrying out our hard struggle for a long time.

All participants also stressed: In view of the present state of affairs with regard to the social conditions and economic development in our province's urban, agricultural, and

pastoral areas, while formulating our province's 10-Year Program and Eighth Five-Year Plan, we should provide guidance to different types of areas, and adopt different kinds of policies and guiding principles, so that we can do our best to arouse the force in various quarters to accomplish well various undertakings in Qinghai.

Jin Jipeng, provincial party deputy secretary and governor, presided over the discussion. Provincial party Secretary Yin Kesheng, provincial party Deputy Secretary Sang Jiejia, and responsible comrades of the relevant departments under the provincial CPC Committee and government listened to participants' speeches.

Reports Examine Economic Relations With Japan

Symposium Studies Trade Issues

OW1405083891 Taipei CNA in English 0733 GMT
14 May 91

[Text] Taipei, May 14 (CNA)—Trade and mutually beneficial economic cooperation between the Republic of China [ROC] and Japan will further expand if the Japanese sincerely help Taiwan upgrade its industry. Hsu Sheng-fa, president of the Chinese National Federation of Industries, said this morning at a Taipei International Convention Center symposium.

Addressing the seminar on Sino-Japanese economic relations held in connection with the arrival of a high-level Japanese trade mission, Hsu said Taiwan needs Japanese investment and technology in its bid to upgrade its overall industrial structure.

Hsu quoted a recent survey by his federation that found more than 60 percent of Taiwan companies in such major industries as electronics, electric appliances, machinery and sundries maintain close business relations with their Japanese counterparts and those not having established ties with Japan are all eager to develop Japanese contacts.

Hsu pointed out that at the moment the local companies surveyed most want to form technical cooperation and OEM (original equipment manufacture) ties with the Japanese.

The 156-member Japanese trade mission, organized by Japan's influential Federation of Economic Associations (Keidanren), arrived in Taipei Sunday to meet with ROC trade officials and business leaders on ways to redress Taiwan's huge trade deficit with Japan.

Japanese delegates have been divided into five panels to meet with their Taiwan counterparts in electronics and electric appliances, machinery and machine tools, sundries, farm produce, and environmental protection equipment.

At yesterday's session of the machinery and machine tools panel, Japan's Sumitomo and Hino executives expressed interest in developing technical cooperation ties with Taiwan manufacturers.

At the farm produce panel sessions, local food processors complained that Japan has adopted unfair trade practices to block the entry of Taiwan-made soft drinks and other canned foods. A Kingcar Co. spokesman said his company's brand-named "Mr. Brown" canned coffee has made successful inroads into U.S., Canadian and Southeast Asian markets, but the company has failed to gain entry into the Japanese market despite strenuous efforts. He urged Japan to remove its unreasonable import restrictions on a fair trade basis.

Panel discussions will continue today in Taipei and similar sessions will also be held in Taichung and Kaohsiung during the next few days.

Japan Urged To Redress Imbalance

OW1105003991 Taipei CNA in English 1453 GMT
10 May 91

[Text] Tokyo, May 10 (CNA)—A ranking Republic of China [ROC] official has urged the Japanese Government to redress the trade imbalance in its favor between the two countries.

ROC Vice Economic Affairs Minister Chiang Ping-kun made the call in an interview with Nobuyuki Yoshida, SANKEI SHIMBUN's correspondent in Taipei. The interview was printed here Friday.

Chiang said the Japanese Government should attach importance to the widening trade gap between the two countries.

If the ROC's trade deficit with Japan outnumbers its trade surplus with the United States or even surpasses the ROC's total trade surplus, it will be inevitable for the relations between Taipei and Tokyo to worsen, Chiang warned.

Taiwan's trade deficit with Japan increased to 7.66 billion U.S. dollars in 1990 from 4.8 billion U.S. dollars in 1987.

On the contrary, the ROC successfully reduced its trade surplus with the United States to 9.1 billion U.S. dollars in 1990, from 16 billion U.S. dollars in 1987.

The ROC's continued economic development will contribute to the peace and prosperity of the Southeast Asian region and is also needed by the advanced countries, Chiang noted.

"I will emphasize the trade imbalance between the two countries when a Japanese economic mission arrives in Taiwan in mid-May (May 12) as this is the most important issue between the countries," Chiang said in the interview.

SANKEI printed the first half of the interview in the column "(Comments) From Neighbors," Friday. The second half will be continued.

Seen as 'Largest Foreign Investor'

OW1305103091 Taipei CNA in English 0803 GMT
13 May 91

[Text] Taipei, May 13 (CNA)—Japan has been Taiwan's largest foreign investor and partner in technical cooperation projects for years, according to the Ministry of Economic Affairs.

The ministry said that Japan has played a vital role in Taiwan's economic development. Foreign investments here totaled 13.2 billion U.S. dollars during the past 39 years from 1952 to 1990, with Japanese investment amounting to 3.6 billion U.S. dollars, or 27.8 percent of total foreign investment, higher than the United States' 24.8 percent, Europe's 15.1 percent and overseas Chinese's 4.7 percent, the ministry reported.

Japanese investments here have increased particularly in past years. In 1988 alone, Japanese investments totaled

432 million U.S. dollars, or [figure indistinct] percent of total foreign investments. Its investment share in 1990 also reached 39.7 percent.

Electrical appliance and electronics topped the list of Japanese investment items at 23.68 percent; followed by service industries, 13.71 percent; trading, 12.31 percent; instrument manufacturing, 11.02 percent and metal and mining, 10.74 percent.

The number of technical cooperation projects between Taiwan manufacturers and their Japanese counterparts totaled 2,101 between 1952 and 1990, accounting for 61.4 percent of 3,422 technical cooperation projects, higher than 22.9 percent with the United States and 12.8 percent with Europe.

Ministry Panel To Monitor Deficit

OW1405095291 Taipei CNA in English 0740 GMT
14 May 91

[Text] Taipei, May 14 (CNA)—The Ministry of Economic Affairs will form a special panel to monitor progress in improving the country's perennial trade deficit with Japan, Vice Economic Affairs Minister P.K. Chiang said today.

Chiang said since the deficit is structural, long-term efforts are needed to resolve the issue.

The ranking economic official said the task force will first monitor whether the 300 Japanese-invested companies here have really cut their imports from Japan by 10 percent annually. Chiang said these Japanese firms import large quantities of consumer goods from their homeland to distribute here and this accounts for more than 2 billion U.S. dollars of Taiwan's annual trade deficit with Japan.

Chiang continued that his ministry will attract more Japanese industrial giants to set up production bases in Taiwan for sale in Japan or for worldwide distribution.

Chiang said the arrival of the high-level Japanese trade mission organized by Japan's Federation of Economic Associations (Keidanren) has provided good opportunities for Chinese and Japanese industrialists to discuss mutually beneficial cooperation projects, which will hopefully help upgrade Taiwan industry and thus help narrow the trade gap between the two countries.

Chiang will head a large trade mission comprised of the chief executives of local manufacturing companies to visit Japan in August. Chiang said he hopes the planned visit will help nurture closer ties between young Chinese and Japanese entrepreneurs.

Imbalance Termed 'Potential Threat'

OW1305095891 Taipei CNA in English 0759 GMT
13 May 91

[Text] Taipei, May 13 (CNA)—Economic Affairs Minister Vincent Siew today called on the Japanese to lend

their expertise and promote economic relations between the Republic of China [ROC] and Japan on a mutually beneficial basis.

Siew made the call while addressing the opening of a Sino-Japanese economic conference held in connection with the arrival of a large Japanese trade mission organized by Japan's powerful Federation of Economic Associations (Keidanren).

The minister said the widening trade imbalance has become a potential threat to trade and economic relations between the two countries. If the problem is not resolved, Siew said the ROC economy might no longer be able to accommodate such a huge trade deficit and Japan will eventually lose markets here.

Siew said the ROC economy is in a transition stage and needs advanced technology to upgrade its industry. He urged Japanese companies to invest here and transfer industrial know-how with a view to help bring Taiwan industries move into a new frontier.

In an interview with the Chinese-language COMMERCIAL TIMES yesterday, Siew said the huge trade imbalance between Taiwan and Japan can be significantly narrowed within five years if the Japanese really want to resolve the thorny issue.

One major reason behind the swelling trade imbalance is Japan's reluctance to open its markets wider to foreign imports, Siew complained.

The minister pointed out Japan has imposed many "intangible" trade barriers to block foreign inroads into its markets, thus explaining why Japan's per capita imports are the lowest of advanced countries. Among such barriers are its complicated customs clearance procedures, inspection and quarantine systems and highly closed distribution schemes.

As a world economic power, Japan should be more open-minded and remove all unreasonable trade barriers to promote trade and economic relations with Taiwan based on the principle of a mutually beneficial division of labor, Siew urged.

He pointed out that Japan is the biggest beneficiary of the ROC's economic liberalization policy. Substantial tariff cuts and the removal of import restrictions by the ROC Government in recent years have facilitated an influx of Japanese consumer goods, he added.

In return, Siew hoped the Japanese would purchase more Taiwan goods, help train technical personnel and transfer necessary technology for Taiwan to develop its own key parts industries.

"If Taiwan manufacturers can understand Japanese consumer habits and successfully establish key components industries in the next two years, I believe our huge trade deficit with Japan can be adequately addressed within five years," Siew asserted.

The minister noted that the arrival of the Keidanren mission has created a friendly and healthy atmosphere for the improvement of trade ties between the two countries.

Siew confirmed that young Japanese and Chinese entrepreneurs will soon form an association to promote exchanges and mutual understanding. "We hope the organization will help nurture more opportunities for bilateral cooperation," the minister said.

Technology Transfers Encouraged

OW1305103191 Taipei CNA in English 0750 GMT
13 May 91

[Text] Taipei, May 13 (CNA)—Technology transfer is the topic the Republic of China [ROC] most wants to discuss with the visiting Japanese trade mission. Vice Economic Affairs Minister P.K. Chiang said today.

After repeated pushes from ROC Government authorities and trade associations, Japan's powerful Federation of Economic Associations (Keidanren) sent a high-level trade mission to Taipei yesterday to explore ways to narrow the huge trade imbalance in Japan's favor.

Chiang pointed out that the arrival of the group, the first since Keidanren sent its Anzai mission in 1983, signified Japan's sincerity in redressing its trade surplus with Taiwan. The Keidanren move will encourage Taiwan businessmen to actively tap the Japanese market, he added.

The ranking economic official said the real solution to the trade imbalance lies in the upgrading of technological levels here. To realize this goal, Chiang said, local industrialists must have a "strong resolution" to develop new technologies by themselves or to buy foreign technologies.

Chiang said the Japanese should be more generous in transferring industrial know-how to Taiwan companies since what they badly need at the moment is not necessarily highly sophisticated technologies.

Chiang said his ministry has prepared a list of 33 key components and parts manufacturing technologies that local industries most want the Japanese to transfer and a list of possible suppliers of such know-how. The technologies needed cover a wide variety of industries, ranging from computers, electronics and telecommunications to petrochemicals, metals and optics.

If all these technologies are successfully transferred to Taiwan, trade officials said, ROC's annual trade deficit with Japan could be slashed by an estimated 10 billion U.S. dollars. The ROC registered a trade deficit of 7.66 billion U.S. dollars with Japan in 1990. The figure is expected to surge further to a record 10 billion U.S. dollars this year. After the first four months of 1991, the imbalance has already approached an alarming 3 billion U.S. dollars level.

Shoichi Akazawa, former president of Japan External Trade Recovery Organization and the head of the Keidanren mission, said that his group wants not only to

purchase Taiwan goods during the current visit but to find effective solutions to the trade imbalance problem as well.

Akazawa said the issue is not expected to be resolved within a short period of time because it involves many complicated problems, including the transformation of Taiwan's overall industrial structure.

"The visit is just a beginning," the Japanese business leader said. "We hope through this visit, Japanese and Chinese entrepreneurs can establish mutual trust and find new cooperation opportunities on a mutually beneficial basis."

Akazawa said Keidanren is conducting a survey of Japanese industrialists and consumers in order to understand why Taiwan-made products are not highly marketable in Japan. "We hope the survey, yet to be completed, will help Taiwan manufacturers make their products more attractive to Japanese buyers," he added.

The Japanese industrial heavyweight suggested Taiwan companies streamline factory management and tighten quality control to ensure the quality of their products.

The 200-member Keidanren mission will hold seminars and panel discussions with their Taiwan counterparts, sponsor [word indistinct] products exhibitions to find suitable subcontractors, and visit factories during their tightly scheduled week-long visit here.

Japanese Electronics Company To Open in Taipei

OW1105113691 Taipei CNA in English 0923 GMT
11 May 91

[Text] Taipei, May 11 (CNA)—Sharp, one of the largest Japanese electrical appliance and electronics manufacturers, will establish an integrated circuit and electronic appliance design center here in the first half of 1991, the Industrial Development Bureau (IDB) reported.

Sharp, following Sony, is the second Japanese electrical appliance company to set up such a design center here.

Sharp will send staff members here next week to discuss details of the proposed center.

Yang Shih-chien, IDB director, said that he led a business group to visit 10 Japanese trading organizations at the end of 1990 to discuss the possibility of establishing key parts production bases here. The moves by Sony and Sharp are the first step taken by Japanese manufacturers to increase purchases from Taiwan and to strengthen technology transfers, Yang said.

Taiwan Eases Visa Procedures for Soviets

OW1005100791 Taipei CNA in English 0753 GMT
10 May 91

[Text] Taipei, May 10 (CNA)—The Republic of China [ROC] will begin to issue entry visas to Soviet Union

passport holders on a regular basis and may also grant residence visas to Soviets, the Ministry of Foreign Affairs announced.

The ministry has notified its overseas offices of the new policy, officials said. Prospective first-time Soviet visitors need only name a guarantor here to be granted entry visas within a short period of time, the officials explained.

The ROC previously issued visas to Soviet citizens on a case-by-case basis and applicants were required to state the purpose of their visits.

Diplomatic sources said the change in visa procedures will facilitate further exchanges between the Republic of China and the socialist giant.

The Soviet Union has also simplified visa procedures for visitors from the Republic of China. ROC citizens can now apply for visas at all Soviet representative offices abroad. They need only show return flight tickets and hotel accommodations certificates and will be able to receive their visas within two weeks.

Joint Venture With Soviets To Open in Taiwan

*OW1405095391 Taipei CNA in English 0745 GMT
14 May 91*

[Text] Taipei, May 14 (CNA)—A joint venture with the Soviet Union will soon open a trade office in Taiwan to help promote trade with the Soviets and to remove barriers to further trade expansion.

This will be the first trade office ever in Taiwan involving the socialist giant which in the past two years has shown growing interest in expanding trade and economic contacts with the Republic of China on Taiwan.

Eurasco Zurich AG, the joint venture in question, will involve Soviet government enterprises and large financial, trading, insurance and industrial groups in Germany and Switzerland in financing, trading and insurance operations.

It will soon register with authorities here. Officials of the group will pay courtesy calls on the ministries of Foreign Affairs, Economic Affairs, and Finance and China External Trade Development Council in preparation for their beginning of operations.

The capital for Eurasco Zurich AG is 70 million Swiss francs. The Soviets will be the largest shareholder with 32.1 percent of its shares.

Moscow University Delegation Discusses Exchanges

*OW0205175191 Taipei CNA in English 1533 GMT
2 May 91*

[Text] Taipei, May 2 (CNA)—Vice Foreign Minister John Chang said Thursday his ministry intends to send personnel to take language and other courses in the Soviet Union in a bid to promote bilateral understanding and academic exchanges.

The Republic of China [ROC] also welcomes Soviet students to take Chinese-language courses here, Chang told a delegation from Moscow University.

Headed by Prof. Viktor Antonovich Sadovnichiy, the first pro-rector of Moscow University, the three-member group arrived in Taipei Thursday for a four-day visit at the invitation of Chung Shing Textile Co.

During the meeting, Chang and the Soviet scholars also exchanged opinions on ways to strengthen academic exchanges between the two countries.

While in Taipei, the mission will also meet with Education Minister Mao Kao-wen and National Taiwan University President Sun Chen. Sadovnichiy and Sun will sign an agreement to establish sisterly relationship between their universities.

Chung Shing Textile executives said the group will take advantage of the trip to visit the Hsinchu science-based industrial park in northern Taiwan and invite ROC industrialists to invest in a planned industrial park in the Soviet Union.

Science Council Signs Agreement With CSFR

*OW1105104291 Taipei CNA in English 0855 GMT
11 May 91*

[Text] Taipei, May 11 (CNA)—The National Science Council (NSC) signed a scientific cooperation agreement with the Czechoslovak Academy of Science Friday.

The ceremony was presided over by Shih Hung-chih, NSC's director of international programs, and Jiri Niederle, president of the academy's Council of International Cooperation.

NSC said that with Czech per capital income of more than 8,000 U.S. dollars, economic prospect there are brighter than for other countries in the East bloc. The Czechs, known for their industrial development before World War II, are still one of the main suppliers of industrial products in East Europe, NSC added.

NSC said that the Czechs, with an annual production of 15 million tons of steel, is also known for its car and machinery industries. It has also laid a solid ground for the development of its heavy, chemical, aeronautics and weapon industries.

The agreement calls for the exchange of scientific information and scientists between NSC and the Czech academy as well as the sponsoring of seminars and joint research projects.

Visit to CSFR Signals Improved Ties

*OW1405095591 Taipei CNA in English 0749 GMT
14 May 91*

[Text] Taipei, May 14 (CNA)—The Republic of China [ROC] sees Czechoslovakia as its next focus of interest in Eastern Europe following the opening of a trade office in Hungary last year. A ROC trade group led by Vice Economic Affairs Minister Chiang Ping-kun will visit Czechoslovakia at the end of the month.

Koo Chen-fu, chairman of the Chinese National Association of Industry and Commerce, will visit the East European country at the invitation of President Vaclav

Havel in June to prepare for the opening of a trade office in the country at the end of the year, sources said.

Foreign Affairs officials said contacts between the ROC and Czechoslovakia have become closer recently. He [as received] cited as examples the signing of a scientific cooperation agreement between the ROC's National Science Council and Czechoslovak Academy of Science and the December visit of Czech first lady Olga Havel to the Republic of China.

Hong Kong

Wu Xueqian on Practicing 'One Country, Two Systems'

HK1105061591 Hong Kong WEN WEI PO
in Chinese 10 May 91 p 12

[Report by staff reporter Chen Chien-ping (7115 1696 1627): "Wu Xueqian Says Trust Central to Improved Sino-British Relations"]

[Text] Beijing, 9 May (WEN WEI PO)—At midday today, when meeting the delegation of Hong Kong's Fujian natives, who had come to Beijing for a visit, State Council Vice Premier Wu Xueqian said the question of trust is central to the effort of China and Britain to improve their relations and that this is an attitude that should be adopted before any problem can be solved. He said that the Chinese Government has maintained a cooperative attitude.

Wu Xueqian met with the visiting delegation of Hong Kong's Fujian natives headed by Huang Pao-hsin in Diaoyutai State Guesthouse at midday today. Deputy Director of the State Council Hong Kong and Macao Affairs Office Chen Ziying and deputy director of one of its departments Chen Guangming were present at the meeting. Wu Xueqian said: The question of trust is central to the work during the transition period. He started working in the Foreign Ministry in 1982 and was soon involved in Sino-British negotiations over the return of Hong Kong's sovereignty. Whenever differences arose during the talks, we always called for mutual trust first. The Chinese side considered different opinions from the British side and the latter did the same to the former. The two sides did establish mutual trust and a good atmosphere, and the problem was solved.

Wu Xueqian said: Practicing "one country, two systems" in Hong Kong is not just on the lips of the central people's government, but something that will definitely be pushed through. He quoted what Deng Xiaoping said in his meeting with former British Prime Minister Mrs. Thatcher: Why should we do it this way? First, "one country, two systems" is a relatively good method for recovering Hong Kong's sovereignty, for it is acceptable to Hong Kong people and the British, and also relatively suitable for China. Second, as our mainland is so big and has such a large population, we should concentrate our energies on building our country, instead of letting Hong Kong become a burden. The Hong Kong compatriots should understand this point and place trust in it. He wished those present at the meeting to do more propaganda in this area and, especially, to understand that our current reform and opening policy will not change.

Wu Xueqian said: On the other hand, with its political stability, the mainland should truly invigorate its economy to provide a solid backing for the return of Hong Kong's sovereignty. He noted: According to the 10-Year Program and the Eighth Five-Year Plan carried at the Fourth Session of the Seventh National People's Congress, by the time Hong Kong returns to its motherland on 1 July 1997, the mainland will have approached a new stage. In the past

10 years, China has focused on solving the problem of food and clothing for the 1 billion people. This is an extraordinary thing to do for any part of the world and it is very difficult to feed 1 billion people. By 1997, the mainland will enter the stage wherein the people enjoy a relatively comfortable life. In other words, the people in the mainland will not only have enough food to eat, clothes to wear, and places to live in; but also eat better, be better clothed, and live in better places. When the mainland reaches this stage of relative comfort for the people, the comprehensive national strength of China will be very significant and rank among the top five places in the world. Wu Xueqian illustrated this point with an example: The carrier rockets produced by China these days can make their way into developed countries to compete with theirs. It is conceivable how things will be in 10 years.

Wu Xueqian encouraged Hong Kong's Fujian natives to play an increasingly important role in Hong Kong in the transition period and after 1997 to help Hong Kong maintain its prosperity and stability.

Reports on Sino-British Airport Issue Continue

Negotiations To Resume

HK1105022191 Hong Kong SOUTH CHINA
MORNING POST in English 11 May 91 p 1

[By Fanny Wong]

[Text] Sino-British negotiators will resume talks on the controversial Chek Lap Kok airport plan in Beijing next weekend, almost five weeks after previous negotiations broke off.

The British and Chinese governments each issued a terse statement last night announcing negotiations would be resumed from May 18 to 22. They gave no other details.

The statement reads: "The British and Chinese governments have by mutual agreement decided to continue their talks on Hong Kong's new airport on May 18-22 in Beijing."

Despite the announcement, signs have yet to emerge that the two sides will back down from their position that no further concessions would be offered.

It is understood that the British team will be led by the Foreign Office's assistant under-secretary for Asia, Mr. Andrew Burns, and the Hong Kong Government's political adviser, Mr. William Ehrman. Both took part in the last round of talks, which ended on April 13.

Likely additions to their team are an official in the Foreign Office's Hong Kong Department, Hong Kong's financial secretary-designate, Mr. Hamish Macleod, and the director of the New Airport Project Co-ordinating Office, Mr. Rafael Hui Si-yan.

Additions to the Chinese team are also expected, but it will continue to be led by Mr. Chen Zuor, a deputy department head of the State Council's Hong Kong and Macao Affairs Office.

Depending on the progress of the talks, it is likely that the Hong Kong and Macao Affairs Office director, Mr. Lu Ping, will meet the British delegation during its week-long stay in Beijing.

The Governor, Sir David Wilson, who is on a tour of Australia and New Zealand, is scheduled to return to Hong Kong on May 18.

In the light of the resumption of negotiations, Sir David may have to curtail the New Zealand leg of his trip to prepare for the talks.

Mr. Burns will fly to Hong Kong next Wednesday to join Hong Kong officials in finalising the negotiating position.

Mr. Burns is also expected to meet Executive councillors to seek their advice before flying to Beijing next Friday. Formal negotiations will begin on Saturday.

It is understood that Britain's negotiating position has not changed and it is adamant that the starting point for new discussions be based on the proposal Mr. Burns left on the negotiating table on April 12.

The Executive Council stands firm on rejecting new concessions which would compromise Hong Kong's autonomy.

The British side is thought to be pessimistic that differences can be resolved in the new round of talks.

Another round of negotiations, possibly in early June, may be needed before a final decision on the airport is taken.

It is understood that the proposal to re-open the talks next week was formally submitted to the Chinese side yesterday and Beijing officials immediately accepted the plan.

The Hong Kong Government is studying contingency plans to expand Kai Tak Airport, which is operating at near capacity.

—China's Premier, Mr. Li Peng, said in Beijing yesterday that he hoped Sino-British co-operation would develop further on the basis of mutual benefit.

He made the remark at a meeting with British and Chinese representatives of a Sino-British co-operation project, the Xinjiang Ethylene Complex.

He said that since British Foreign Minister Mr. Douglas Hurd's visit to China last month, Sino-British relations had been on the track of normal development. Mr. Li did not touch on the airport dispute.

Governor Shortens Trip

HK1205014691 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 12 May 91 p 1

[By Brian Power]

[Text] The Governor, Sir David Wilson, will cut short his trip to Australia and New Zealand to deal with the resumption of stalled talks between Britain and China over the new airport plan.

Sir David was in Melbourne yesterday on a trade promotion tour of Australia and will return to Hong Kong on Wednesday. He was scheduled to spend two days in New Zealand after the Australian visit.

The Chinese and British governments announced last Friday that talks would resume in Beijing this Saturday, and continue to May 22.

Talks broke off on April 13 over China's demands that it be able to scrutinise all major Hong Kong projects spanning 1997 under the Sino-British Joint Declaration.

British and Hong Kong officials will spend this week going over their negotiating position. Insiders have said they were not well prepared for the last round of talks in April, with China's firm stand resulting in a fruitless trip for the British Foreign Secretary, Mr. Douglas Hurd.

It considered likely the British team will relax its resistance to the Chinese demands. But the stance could be modified after meetings the Executive Council is expected to have with the head of the British team, Mr. Andrew Burns.

There will be a larger Hong Kong contingent at this round of talks.

Compromise Ruled Out

HK1305033091 Hong Kong SOUTH CHINA
MORNING POST in English 13 May 91 p 1

[By Richard Vines in Canberra]

[Text] Governor, Sir David Wilson, yesterday ruled out any compromise with China on the proposed new airport that would effectively hand control of the project to Beijing.

Sir David, who is on a visit to Australia, indicated that Hong Kong would be willing to make only limited concessions in talks on the project that are scheduled to resume in Beijing on Saturday.

"We want to resume these discussions to try to get a practical solution which tackles some of the worries that have been expressed on the Chinese side—because we would like to do that—but also reach a solution which is manageable one from our point of view.

"There is no point in having a solution which makes it impossible for us to actually manage the practical measures in building an airport.

"To build an airport, you have got to be taking decisions the whole time, getting on with things quickly.

"Ultimately those have to be in the hands of somebody, and it only makes sense that they should be in the hands of the Hong Kong Administration." Sir David told the SOUTH CHINA MORNING POST in an exclusive interview on board a flight from Melbourne to Canberra.

Sir David has postponed a visit to New Zealand he was scheduled to begin on Wednesday, in order to return to Hong Kong before the start of the talks.

Asked how optimistic he was about the talks, Sir David replied: "All I can say is that on our side we are determined to try to reach an agreement if we can, but it can not be an agreement at any price."

Sir David said China's "obvious acquiescence", or at least support for the project would be needed in order for the private sector to support the project.

"Because of everything that has happened over the past year or so, we need agreement with China.

"We need the obvious acquiescence of China in the airport, or their support—that sort of range of attitudes from China—if we were to get the sort of private sector involvement in the airport which makes it an economic proposition for the people of Hong Kong," Sir David said.

Asked what would happen if agreement was not reached with Beijing, Sir David said: "The logic of not getting an agreement is it delays what we were trying to do."

During his two days in Canberra, Sir David is scheduled to meet the Prime Minister, Mr. Bob Hawke, the Minister of Foreign Affairs and Trade, Senator Gareth Evans, and the Immigration Minister, Mr. Gerry Hand.

Sir David said he would be discussing economic organisations in the Asian-Pacific region—specifically, the Pacific Economic Co-operation Conference and the Asian-Pacific Economic Cooperation forum—as well as the problem of Vietnamese boat people.

Sir David said he was concerned that the Comprehensive Plan of Action, drawn up by the international community to resolve the problem, was not working.

"It is a good plan basically. It has got it all right: that asylum should be provided by countries and territories in the area, people should be screened, refugees should be resettled, non-refugees should be sent home.

"All of that is absolutely right, but the reality is it is not working. It is not working in practice and the major part that is not working is the hardest part, that is sending non-refugees back to their homes.

"I really want to talk this through with Senator Gareth Evans and with others: how they see the possibility to making progress internationally on this, and bring them up to date on the fact that although last year it looked as though this was a problem that was receding, sadly this year it is a problem which looks as though it is coming back again, and we really do need to think through the implications," Sir David said.

Sir David is scheduled to hold meetings with businessmen and Hong Kong students tomorrow, before leaving for Hong Kong on Wednesday morning.

Governor Interviewed

HK1305030091 Hong Kong HONGKONG STANDARD in English 13 May 91 p 13

[“Edited text” of an interview in Canberra, Australia with Hong Kong Governor Sir David Wilson by reporter Graham Davis of Canberra television station, TCN Nine, on the current affairs program “Sunday,” broadcast 12 May]

[Text] [Graham Davis] Sir David Wilson, part of your job, really, is to try and maintain confidence in Hong Kong in the leadup to 1997. How difficult a job is that?

[Governor Wilson] Well, part of the job is to make sure that Hong Kong keeps running efficiently for the good of the people in Hong Kong and for building the right foundation for the future. I suppose in any place, it is difficult to do that. Hong Kong has got its problems. There is no doubt about that. We have some of the normal problems that everybody has and we have additional problems that we have a change of sovereignty coming up on a date which everybody knows. So, you could say that is a problem of confidence, but we have an asset, which I think is probably a greater asset than many places that is the extra-ordinary energy of the people of Hong Kong and their resilience.

[Davis] Would you accept that there is now an extraordinary crisis of confidence in that colony, that you preside over, virtually as a Viceroy I suppose.

[Wilson] Well, first of all I do not preside virtually as a Viceroy. I mean, Governors of colonies are perhaps an anachronism in the present day. Colonies are an anachronism.

[Davis] You have absolute power there though, do you not?

[Wilson] If you look at a piece of paper, if you look at the constitution... you'd see that the power of the Governor is enormous. But it is like many British traditions... the reality is not what is written down on a piece of paper. Let just give one example—I have a lot of powers as the head of the Executive, but by tradition Governors of Hong Kong always take the advice of their Executive Council, and that is the majority of people who are not from the Civil Service.

[Davis] But these are people appointed by you.

[Wilson] Those are people appointed either by me or by my predecessor because of course I inherit from my predecessor but....

[Davis] But you can choose your own men though, surely.

[Wilson] I can choose my own men.

[Davis] If you do not like their opinions you can also get rid of them I guess.

[Wilson] But I would not, you see. That is the difference between what you can do on paper and what people actually do. And if somebody is going to be a sensible Governor of Hong Kong they would never behave in an arbitrary sort of fashion because one of the things about being a non-elected Government, and this has struck me very much since I have been in Hong Kong, you have to pay an immense amount of attention to what people think. Let us say, an elected government gets it wrong. What is the penalty? They get voted out of office next time. Let us say a nonelected government gets it wrong. What is the penalty? If it gets it really wrong. You have disturbances in the streets. But the government has to stay.

So we in Hong Kong spend an immense amount of our time trying to find out what people really think, trying to the best extent we can. And we can not always do it obviously, but trying whenever we can to go with the grain of public opinion.

[Davis] The fact of the matter is that your ultimate master is Her Majesty's Government in London and the Foreign Office. You are doing the bidding of the British Government and this is what worries a lot of people in Hong Kong, Hong Kong Chinese.

[Wilson] Well there again, if you look at a piece of paper you will see that the Governor of Hong Kong has to act under the instructions of the Secretary of State which means the Foreign Secretary. If you look at the practice not just now, but for many, many years, at least since the Second World War, the Government in London very, Very Rarely Sends instructions to the Governor of Hong Kong.

On matters of foreign policy, yes of course the decision is finally taken in London, although with an immense amount of discussion with Hong Kong. But on the economy, on foreign trade, we are totally autonomous.

[Davis] I guess what a lot of people in Hong Kong want to know is where your ultimate loyalty lies. Is it to Her Majesty, Her Majesty's Government, or the people of Hong Kong?

[Wilson] You say her Majesty, Her Majesty's Government and the people of Hong Kong. Of course I am Her Majesty's servant. I am a Crown representative. I have a ceremonial duty so I am... my loyalty is to Her Majesty. Now as Governor, people think that you have divided loyalties. When you sit in my office, when you sit behind my desk, it is quite clear that my job, and this is what I think, my job is to look after the interests of, of Hong Kong and the people of Hong Kong.

This may sometimes mean that I have an argument with London.

A lot of private discussion goes on and then my job as Governor of Hong Kong is to argue Hong Kong's corner. I do not have any, any doubt about that at all.

[Davis] Well what about on this airport issue. How far have you gone in telling in British Government what it

ought to be doing about this because quite clearly we have got a massive impasse here.

[Wilson] Well, we have got an impasse not with the British Government... but we have a discussion going on with the Chinese Government so we have got a triangle here. We have got Hong Kong which needs a new airport. We have some problems with the Chinese Government who have got worries about the financial state of Hong Kong 1997, and we have some problems about the extent to which they should be involved in these sort of decisions, what sort of consultation, making sure that although we have discussion with China. We do not get into a position when we can not take decisions in Hong Kong.

You asked me about London as well. Let me bring in London because this is foreign policy as well as Hong Kong's domestic matters. It is London-Peking because it involves the Joint Declaration which London signed with Peking.

When London is involved in a thing like this we have immense, very intense discussions, with London working out a common position.

[Davis] Do you see any merit in the argument by some of your critics that you should have consulted the Chinese government a long time ago?

[Wilson] Twenty-twenty hindsight is the privilege of critics, is it not? Of course you can always say should we have done things differently. When it came up, and it came up a long time ago, perhaps that is worth remembering, way back in the 1970's Hong Kong was planning a new airport and eventually decided in the early 1980's not to go ahead with it then, there was an economic downturn....

[Davis] Some say you caved in to....

[Wilson] Wait a minute, wait a minute. There was an economic downturn and part of the problem was there were discussions going on about the future, so Hong Kong did not decide in the early 1980's to go ahead. When I came to Hong Kong which was 1987, we were beginning to think again about building an airport. (In) 1988 I said we would make a decision by the end of 1989. We did an immense amount of work, all of it was public. People knew exactly what we were doing. Announced it in 1989. We did in fact tell the Chinese way in advance of what we were doing but we did not ask their permission to do it because....

[Davis] Did you tell them how much it was?

[Wilson] We did not ask their permission to do it because this was a Hong Kong matter. We told them before I made the announcement what the decision was going to be and the amount that it was going to cost became public when I announced it.

[Davis] Did you tell it, tell them though, because....

[Wilson] What it was going to cost?

[Davis] Yes.

[Wilson] We, we told them what, what it was going to cost in broad terms but this is broad terms let us be clear about that. When you are planning an airport over eight years or 10 years you can not work out to 10 years you can not work out to every penny and cent exactly what it is going to cost.

[Davis] But it is 120 billion Hong Kong dollars. It is a huge amount of money. What they are worried about is that they are going to have to pick up the tab for it.

[Wilson] You are wrong on both counts. You are wrong that it is 120 billion dollars. What is actually is 127 billion dollars (and that is) the port and the airport... the airport alone is a great deal less than that.

Secondly you are wrong in saying that China is going to have to pick up the tab. Not at all. Hong Kong after 1997 is a Special Administrative Region [SAR] of China. Just like Hong Kong now has autonomy in finance and foreign trade so after 1997, the SAR will have autonomy in finance and trade. We do not ask London now to pick up the tab, we would not expect it. After 1997, Peking is not going to have to pick up the tab.

[Davis] How much will there be in the kitty even after this is all taken care of?

[Wilson] Can you tell me what will be in the Australian kitty in 1997?

[Davis] But what you are saying is there is going to be a lot.

[Wilson] There will be a lot. I can tell you that. Of course I can not tell you exactly what, but I can tell you three constituent parts if I may. One is our own fiscal reserves, that is the money we have saved now and that part which we do not use before 1997 will still be there. Next bit is every piece of land which at the moment we lease ... half goes to us, the present Government, to be used for construction, half goes into a bank account for the future government. Already in that bank account is well over 20 billion Hong Kong dollars. By 1997 it will be much more. The third sum is what we call our exchange fund which backs our currency and has much more in it than actually backs the currency.

So although I accept that they genuinely do worry about it and we have a need to reassure them on this, I think the worry is mistaken, that the finances of Hong Kong in 1997 will be a great deal more healthier than the finances of most countries around the world.

[Davis] Do you regret now that you did not consult them more thoroughly before?

[Wilson] I wish that we had started off with a better understanding with China on this. I do not think that there was a need for us to go to China and ask for permission to do this cause it is something internal to Hong Kong. But there is no doubt that it is been to our

disadvantage, and I would say, to China's disadvantage that we have got into an argument about this.

[Davis] Whose fault is it?

[Wilson] Oh I would not apportion blame because that really is too simplistic, but what we have got to do now is to try to sort out the problems.

That is what we have been trying to do for about the last nine months, but particularly intensely over the last few months. And I hope we will sort it out. I can not be sure at this stage that we will but that is what we were trying to do.

[Davis] There seems to be a lot of confusion in Hong Kong about this issue. Will that airport be built?

[Wilson] I have no doubt at all that Hong Kong will have that new airport, that the question at issue is how soon are we going to be able to get on with it and under what sort of circumstances.

[Davis] It will be built?

[Wilson] Yes it will be built, because there is no doubt that Hong Kong needs it. You can not go on with Kai Tai... Hong Kong does need that new airport unless one has a scenario in which Hong Kong just declines and places like Singapore, which is building, expanding its airport simply take over Hong Kong role and that I think is entirely the wrong objective for us.

[Davis] You say you are not involved in the negotiations now with the airport, but you have dealt with the Chinese and you have dealt with them recently. Do they regret what happened in Tiananmen Square two years ago?

[Wilson] From the Hong Kong point of view there is no doubt that what happened in Peking had a very drastic effect on us. People first of all had a great deal of, of sympathy with the things that were being said in Peking in May and they were deeply shocked by what happened on the fourth of June and it reduced confidence in Hong Kong short term very, very substantially.

[Davis] How is your job going trying to rebuild that confidence?

[Wilson] I think that it is not just me rebuilding it, it is what is done by the people of Hong Kong that really matters and because they are resilient, because they do have this ability not simply to sit there and worry and bemoan what happened in Peking, they get on with, with living, they get on with making the best they can, a great deal of that confidence and the vitality has been revived.

[Davis] Is not it fair to say through that no matter what you say about the future and what it holds, the whole world saw with their own eyes the way the Chinese are capable of behaving? Does that not make your job an impossible task?

[Wilson] It does not make it impossible, but it made it harder... because it did have a great shock effect on Hong

Kong, and incidentally of course it had a great shock effect round the rest of the world and that affected the way people deal with China, and that it turn can affected our role in Hong Kong as a gateway into China for trade and so on.

[Davis] Can it happen again... to the people of Hong Kong? To have the Chinese try and suppress them.

[Wilson] The answer to that is that post-1997 it is not China directly running Hong Kong. The arrangements are that it is Hong Kong people running Hong Kong, not directly being run from Peking.

The British Governor for instance is not going to be replaced by a Governor sent from China, but by a local person... who will be the chief executive.

[Davis] Let me just quote you a member of your own administration, Donald Tsang, who says: "I do not believe there will be smooth sailing into the next century, there will be a bumpy ride." What would you say to that?

[Wilson] I think he is probably being very realistic, but what do you mean by a bumpy ride or rather what does Donald Tsang mean by a bumpy ride?

[Davis] He means that every decade since the 40's there is been an upheaval in China which has affected Hong Kong and this decade will be no different.

[Wilson] Now that is very different is not it from talking about China or people in China suppressing people in Hong Kong in exactly the same way as what happened in Peking in June of that year.

[Davis] It is still not a vote of confidence in the future, is it?

[Wilson] All right but let us be realistic. Look round the rest of the world. Is it very smooth? Look round some of our near neighbours. Look at South Korea. Is that smooth? Look at Taiwan. Is it smooth? No. I mean this is a fair point, surely.

[Davis] You know the Chinese mind perhaps better than anybody. Can we trust them to uphold this agreement?

[Wilson] I would never say that I understood a great deal about the Chinese mind. I think it is, it is naive to believe that you can instinctively understand other people whatever the nationality is... not just Chinese. Yes, we can trust them to carry out what they have agreed to carry out in the Joint Declaration. They have a very good reputation for sticking to international agreements. They have changed their internal policies an immense amount, but they do stick to their international agreements. Secondly, they have every reason to do it. It is in their interests to do it. A lot is going to depend on the efforts of the Hong Kong people themselves. It can not be done for them.

[Davis] Do we also have to look after their interests by ensuring the Chinese stick to the letter of this agreement?

[Wilson] If they do not stick to the letter of it there is absolutely no doubt at all that the British Government have the duty and the responsibility to make sure that they do and to bring it to their attention, yes.

[Davis] What will you do?

[Wilson] I will not be Governor of Hong Kong after 1997. There will not be a British Governor of Hong Kong after 1997.

[Davis] What will your country do?

[Wilson] What will Britain do? They, must deal with it as best they can. They must make sure that if there is a breach of the Joint Declaration that that is brought to the attention of China and that it is rectified.

[Davis] Will you send out the gunboats as you did in 1840-odd?

[Wilson] Again, it is not going to be me I do not think is it? Do you mean well, well Britain? There is a shortage of gunboats around the world these days, but what, you know, what international agreements depend on, in the end of the day, they do not on the whole depend on force. They depend on the fact that nearly every country in the world wants to have the reputation for sticking to its agreement. And as I said, China actually has a very good reputation in sticking to its agreements.

[Davis] One final question. You are presiding over really, the lowering of the flag in the jewel of the British Empire. You wear that white hat with the plumes, occasionally, I know you are not fond of it, how do you feel about 1997 coming around.

[Wilson] Well, let, let me tell you how I feel about it. I think that we have a great deal, we Britain, have a great deal to be proud of in Hong Kong. Some of the history of it and how Hong Kong was acquired and the reasons, the Opium War, some of that is not reputable.

[Davis] Sordid.

[Wilson] Well, you can call it that, although sometimes the way it is written up in the novels is not actually what the historical truth was. But all right, there are some funny things in the past. But the history of what has been achieved in Hong Kong since the 1840 is a remarkable success story. I do not think we should be ashamed of that. I think we should be proud of it. So we must now build Hong Kong up, give it the very best possible chance of succeeding after 1997. That is the way we write the last lines of that page of the history of the British empire because it is a very significant point in that long period of history.

Beijing Concessions Reported

HK1405014691 Hong Kong HONGKONG STANDARD
in English 14 May 91 p 4

[By Stanley Leung]

[Text] China has conceded that it will not appoint a deputy chairman to the airport authority until 1994, and he will not have the right of veto.

In a bid to reach agreement on the project at this weekend's Sino-British talks, China has relented, at the request of the Hong Kong Government, on its earlier demand to nominate authority members with veto rights immediately, according to the pro-Beijing monthly magazine WIDE ANGLE.

Beijing will also call for \$100 billion to be left in Hong Kong's coffers at handover, a figure the British side is likely to agree with.

According to WIDE ANGLE, published tomorrow, China plans to appoint an official of the local branch of Bank of China to the authority.

The report says Britain feared the new post, if created before 1994, would undermine the position of the authority chairman.

Local sources yesterday said it was felt that by 1994-95 Hong Kong would be ready to accept a higher degree of Chinese influence as part of the "through train" to the change of sovereignty.

British team leader Andre Burns, the Foreign Office assistant under-secretary for Asia, will fly to Hong Kong tomorrow to hold preparatory discussions with the Governor, Sir David Wilson, and other Hong Kong officials attending the next round of talks starting in Beijing on Saturday.

The Executive Council will discuss the issue this morning.

WIDE ANGLE also said China would have two "bottom lines" on the airport when talks resumed.

The first was that the Hong Kong Government should set aside a \$100 billion fund for the Hong Kong Special Administrative Region [SAR] government in 1997—\$75 billion from the SAR Land Fund and the remaining \$25 billion from fiscal reserves.

The second is that, despite the concessions on the airport authority, aimed in part at getting the talks off to a positive start, China will reiterate that Britain should discuss with it all major affairs which straddle 1997.

The report said China proposed \$16 billion from the reserves should be set aside this year, which would grow to \$25 billion by 1997 at an annual interest rate of 8 percent.

The \$25 billion is close to the British proposal that \$14 billion be set aside at present, reaching over \$20 billion by 1997.

The magazine said differences widened when Britain came up with another proposal in talks which suggested the issuing of \$10 billion in bonds.

The bonds would amount to an \$18 billion debt for the post-1997 SAR Government.

After deducting the bonds liability, the amount of fiscal reserves left for the SAR government would be about \$5 billion.

Senior Chinese official Lu Ping has openly criticised the Hong Kong Government for planning to leave only a small kitty for the post-1997 Government because of the new airport.

Hong Kong representatives on the talks team will be Political Adviser William Ehrman and the Financial Secretary-designate, Hamish Macleod.

TA KUNG PAO Commentary

*HK1405055791 Hong Kong TA KUNG PAO
in Chinese 14 May 91 p 12*

["Short Commentary": "Hong Kong's Realities Need Sino-British Cooperation"]

[Text] Sino-British talks on Hong Kong's new airport are scheduled to reopen in Beijing this weekend. During the past month and more, when the meeting stood adjourned, people had the opportunity to distinguish correct from incorrect ideas. Now both China and Britain have confirmed the date to resume the talks, people from various circles in Hong Kong all feel happy, hoping the talks will achieve good results. This is because all of us have realized that: Hong Kong needs a new airport, and this new airport project that straddles 1997 needs Sino-British cooperation.

Governor Sir David Wilson, who is visiting Australia, reportedly said, in an interview with local reporters, that he wished a profound understanding could be reached with the Chinese side before the new airport plan was worked out. Fortunately, it is not too late to mend the fold even after some of the sheep have been lost. Developments during the past several months prove that it is not only necessary, but also completely possible, to gain the Chinese side's understanding and support on issues concerning large-scale capital construction, including the new airport project. The Chinese Government has always adopted a positive approach toward the establishment of a new airport in Hong Kong, and has repeatedly and openly expressed its hope that Hong Kong's new airport can be completed at an early date. Moreover, the Chinese Government also believes that so long as they adopt an attitude of mutual understanding and cooperation, both China and Britain are sure to work out a construction plan which requires less investment, yields high efficiency, and benefits Hong Kong without creating heavy burdens in the future.

Failure to make timely coordination with the Chinese side when the airport plan first came out warrants summarization. On this issue, what hindered China and Britain from reaching mutual understanding and cooperation over a long period of time are doubts and

misgivings on China's so-called "interference" and "condominium." A handful of people, who have a resistant feeling toward Hong Kong's future return to China, seized this opportunity to sow dissension in an attempt to sabotage Sino-British cooperation required in the "Joint Declaration" on Hong Kong's future. They held such extremist ideas that they even called for abandonment of the new airport project in total disregard of Hong Kong's long-term development. Without eliminating the interference of such "China-resisting" forces, resumption of and progress in Sino-British talks on airport issues are out of the question, and Hong Kong's prosperity and stability during the transition period will also be impaired.

Recently, in order to help clear up doubts and misgivings, Chinese officials have repeatedly reiterated the Chinese Government's solemn and that it has no intention of interfering in Hong Kong's routine administrative affairs, which are currently under British jurisdiction, before 1997. In fact, since the signing of the Sino-British "Joint Declaration," China has never interfered in Hong Kong's affairs, not to mention any concrete actions of or demands for "condominium." After 1997, except for national defense and foreign affairs, the Hong Kong Special Administrative Region [SAR] government has self-decisive power on all affairs which fall within its highly autonomous scope, in accordance with the stipulations in the "Basic Law," including issues concerning infrastructural construction. Therefore, neither will there be a question that central authorities interfere in Hong Kong's autonomy after 1997.

Now that Hong Kong will be a highly autonomous SAR and will be "run by Hong Kong people," the British side has no right to, during the current transition period, make any work arrangements for a PRC SAR after 1997. The Chinese Government is now duty-bound to take an interest in all affairs that straddle 1997, have a bearing on the smooth handover of political power, and are hinged upon the obligations and responsibilities of the future SAR government. The British side should also cooperate with and consult the Chinese side. This is not an "interference ahead of time" or a "Sino-British condominium," but realistic needs, and also the implementation of the spirit of the Sino-British "Joint Declaration."

The essence of the "Joint Declaration's" spirit lies in Sino-British cooperation. Suppose that both the Chinese and British Governments did not sign this agreement and failed to cooperate with each other. China would repudiate and rearrange all which had been done by the British side after it resumed sovereignty over Hong Kong. If such was the case, there would not be a smooth transition and handover, and all measures adopted by the British Hong Kong Government would lose their effective continuity and legality. What is more, an effective management over Hong Kong can hardly be maintained even before 1997. This issue of a new airport project is the very thing which highlights the realistic needs for Sino-British cooperation. It will be of

great benefit to the future development of Hong Kong if a good pattern of Sino-British cooperation can be established this time.

PRC Official Explains Future Judicial Power

HK1405002191 Beijing ZHONGGUO XINWEN SHE
in Chinese 1128 GMT 10 May 91

[Report by Xia Yuhua (1115 1342 5478): "Sino-British Joint Liaison Group Chinese Representative Office Responsible Person Talks About Court of Final Appeal"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 10 May (ZHONGGUO XINWEN SHE)—Recently, some people openly commented on the Sino-British Joint Liaison Group's [JLG] talks about the establishment of the Court of Final Appeal in Hong Kong, and criticized the JLG's Chinese Representative Office [CRO]. Today, ZHONGGUO XINWEN SHE interviewed a responsible official of the CRO on this matter.

When this reporter mentioned that some people blamed the Chinese side for deliberately delaying the Court of Final Appeal's establishment, the CRO official said: The future Hong Kong Special Administrative Region will enjoy independent judicial power, including final adjudication. This is the Chinese Government's consistent position, and is also a provision of the Sino-British Joint Declaration and the Hong Kong Basic Law. The issue of establishing the Hong Kong Court of Final Appeal and making Hong Kong exercise the judicial power of final adjudication before 1997 is related to some major changes in Hong Kong's current judicial system, so many complicated questions have yet to be studied and solved. This is not as simple as some people describe. At present, the Chinese and British representatives are discussing this issue within the JLG, and have reached a consensus on some points. They have not yet reached a conclusion on other points, and still need to further their deliberation in depth. This is normal. It is groundless for people to blame the Chinese side for deliberately delaying the settlement of this issue.

Recently, there was a report about the Chinese side's position on the appointment of overseas judges, and this reporter asked the Chinese official whether the report was true. He said: Annex II of the Sino-British Joint Declaration stipulated that JLG proceedings must remain confidential, so the Chinese side is not in a position to disclose the details of the discussions on this issue. It is hoped that the British side is also aware of this stipulation. By the way, it should also be mentioned here that recently, when China and Britain were negotiating the new airport project in Hong Kong, a leak occurred on the British-Hong Kong side; this must not be allowed [zhe shi he bu ying gai de 6638 2508 1771 0008 2019 6115 4104]. He also indicated that the Chinese side has always strictly followed the relevant provisions of the Joint Declaration and the Basic Law when dealing with the issue of establishing the Court of Final Appeal.

When this reporter asked him how to view the British foreign secretary's hope that the JLG will speed up its work as he expressed during the visit to China, the responsible official said: The Chinese side also hopes to quicken the JLG's work, but this is not an unilateral

matter. At present, since both the Chinese and British sides have expressed willingness to quicken the work pace, we believe that as long as both sides make joint efforts with the spirit of sincere cooperation, the JLG's work will be more fruitful.

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